

Strategic Financial Plan

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Introduction

Founded in 1993, Trinity Christian Academy (TCA) is an independent, private Christian school in Willow Park, Texas serving grades PK3-12. Currently, our school and community are both experiencing seasons of steady growth. TCA is in Parker County which was recently named one of the fastest growing counties in the United States, and the Dallas - Fort Worth metropolitan area where we are located is the nation's 4th largest metro area and was the largest-gaining metro area in the nation from 2016-2017. From the time the Lord called me to TCA as secondary school principal in 2000, our enrollment has grown from 180 to a current enrollment in excess of 530 with a staff of 85. As we wrap up the celebration of our 25th anniversary, our school is blessed to see multiple grades at capacity and we enjoy a solid reputation in our area as an excellent and distinctively Christian school.

While TCA has seen growth in many externally visible metrics (test scores, expanded extracurricular programs, increased enrollment, facilities, etc.), there has been a growing, internal sense among administration that we were “managing” well but not necessarily “leading” strategically in terms of establishing policies and practices that lead to long-term institutional health. Indicators of this include the following:

- The percent of our budget directed to tuition assistance is growing to levels that budgeted funds and fundraising activities cannot sustain.
- Teacher salaries, already well below those of area public schools and lagging behind similar area private schools, are falling even further behind, leading to challenges in retention and replacement.
- Many extracurricular programs, while giving an appearance of balance and strength, are “an inch deep and a mile wide.”
- Demands on administrative and office staff have grown to levels that previously manageable functions are increasingly harder to address (human resources, admissions, counseling, etc.).
- Efforts to maintain affordability (i.e., low tuition) appropriate for our area in the early and mid 1990s, do not reflect current economic realities of our increasingly affluent community, leaving TCA leaders unable to fund a school program of the scope and complexity expected of current and prospective families.
- The school’s board was not functioning strategically and administration was following an inherited business model that was not structured to ensure a sustainable future for the school.

Fundamentally, it had become apparent that the heart of Trinity Christian Academy was strong in terms of adherence to the spiritual aspects of our vision/mission, but outdated and ineffective policies and practices related to financial operations were insufficient both to sustain our current state or to allow for long-term growth. Clearly, something had to give.

Project Description & Outcomes

In light of these realities, I set a personal goal of growing as a leader by strengthening my working relationships with our school board and executive administrative staff in order to help us all function more strategically in our respective roles. I targeted three steps to accomplish this goal, with the third serving as my actual Van Lunen project.

The first step, instituted upon my return from the Van Lunen session in July 2017, was the implementation of a consent agenda at all board meetings. This immediately resulted in better use of meeting time, helping our board recognize the time and energy that had been spent on operational matters. A previously lengthy process of verbal administrative reports followed by discussion of each report was replaced with written reports emailed to board members 3-4 days prior to each meeting. Our administrators quickly found the process to be more efficient and pleasant, giving them time to consider exactly *how* to express to the board what they wanted to say without the pressure that could otherwise be felt in a board meeting setting. Everyone appreciated how time spent on reports dropped from 30-45 minutes to the 5-10 minutes needed for a handful of quick clarifying questions regarding consent agenda reports. Personally, the move to a consent agenda helped establish me as more of an authority on efficient and effective board operations--something I needed as a maturing but still relatively new head of school. It lent credibility to my suggestions that we could find other ways to act more strategically and to spend less time on operational affairs that would inevitably arise during discussions in the old model.

The second step was more relational in nature. In my first 12 years at TCA, I served as secondary principal, a role which afforded me little direct contact with the school board other than a monthly report at meetings. Upon assuming the role of Head of School in January 2012, I

was not prepared to work well with the board, and a number of board members at the time still saw and related to me as principal. Furthermore, our board at the time was comprised primarily of members with a leaning toward school management. Several were more interested in being “in the know” than in doing the hard work of providing strategic leadership for our school. As a result, my early years as head of school were often frustrating for me in terms of board relations.

It was in early 2017 that I began to understand the importance of building stronger relationships with my board. During the July 2017 Van Lunen session, I made this a priority for the upcoming school year, particularly in terms of strengthening my working relationship and friendship with our board president. Regular turnover fortunately led to the departure of less effective board members, and several strong new members took their place. All of this has led to a board that is stronger, more balanced, and more strategically engaged than has been the case in many years. My role as head of school is much more fulfilling as well.

The third action item (my actual project) is the creation of a Strategic Financial Plan for Trinity Christian Academy. I identified this as a need early in the week of the July 2017 Van Lunen term, primarily as a result of the session led by Chuck Evans of BetterSchools LLC. Upon my return from Grand Rapids, our school’s business administrator and I discussed the state of school finances and our business model in general. We agreed that the “old ways” simply were not sustainable and we needed a better plan moving forward. In August 2017, I approached our board with a recommendation to engage Chuck Evans as a consultant to help direct this process. The contract with Mr. Evans was finalized in October, and the creation of a Strategic Financial Plan for Trinity Christian Academy was underway.

The first step consisted of a review and analysis of all matters related to school finances, including financial policies, enrollment trends, tuition rate history, collection practices, tuition assistance processes, and a variety of other matters. This was followed by a series of listening sessions held in February 2018 during which Mr. Evans met with small groups of stakeholders, asking each a set of questions designed to tease out common threads of thought to help identify what each group valued about TCA. Groups were: elementary faculty, secondary faculty, support staff, parents from various grade levels, board members, administration, and high school juniors. Listening session conversations were based upon variations of the following four questions:

- “Why TCA?” (i.e., “What drew you or your family to our school?”)
- “What would you like to see more of at TCA?”
- “What obstacles does TCA need to address?”
- “What is one thing that needs to be accomplished in the next 12 to 24 months as part of a strategic plan?”

Mr. Evans analyzed the resulting qualitative data and presented his findings to the board at a planning session in mid-April. He discussed his experiences with each group, expressing what he sensed each valued most about their relationship with TCA. This exercise was incredibly insightful and helpful for our board and administration, marking the first time in years that this particular board had purposefully functioned in a strategic, forward-thinking role.

The next step was to begin drafting the actual financial plan. Using a template he’d built, Mr. Evans created a draft model of a plan, delivering it to TCA in late April. TCA Business Administrator Gary Squyres and I reviewed the draft with Evans, discussing its structure and making modifications based upon school priorities. In early June, the entire board met for

another half-day planning session. At this time, Evans walked the board through the updated draft of the model along with a variety of recommended policies reflecting practices common to schools such as ours seeking to accomplish similar financial goals.

Areas addressed in the draft model included the following goals over the next four years related to revenue.

- 1) A 12% enrollment increase to 576 students in PK-12 by the 2022/23 school year.
This growth rate is conservative based upon increases seen in the past 3 years, making it a safe bet.
- 2) A tuition increase of 31% over the next 4 years. This will include a larger than usual increase in 2019/20 with gradually lower increases over the following two years, settling in at a steady 4% increase yearly beginning in 2022/23. At that time, our rates will still be below the current rate of our nearest, similarly programmed competing school. Those rates will allow us to accomplish all goals we have set related to salary increases, increased capacity for tuition assistance, new staff hires, and savings.
- 3) A budget that reflecting an annual fundraising rate of 2.5% of other revenue from tuition and fees, with these funds being directed toward capital improvements rather than operating expenses.

At this time, the most recent draft of the plan includes the following goals related to the costs involved in providing a TCA education:

- 1) An increase in faculty salaries by an average of \$10,000 with a goal of keeping teacher salaries at 80-85% of area public school salaries (currently +/-60%),

- 2) several strategic staff hires to help office/administrative processes, and
- 3) a reduction in the amount of our budget allocated to tuition assistance from a current level of 18% (and rising) to a consistent rate of 14% or less.

Corresponding tuition increases are designed to provide a 67% increase in funds available for tuition assistance for families with demonstrated need over the four year period.

School leaders will continue fine tuning the draft model of the strategic financial plan in future additional planning sessions in Summer 2018, leading up to a presentation of the plan to the TCA family in Fall 2018.

Project Impact and Outcomes

The impact of this project upon our school community is long-term and obviously yet to be seen, but we look forward to its positive influence in all areas of school life over the coming years. Personally, the strategic planning process has helped me grow professionally. It has also served to inspire the confidence of the board and my administrative team in my leadership.

As a group, our board and executive administrative staff have spent much time in this process discussing “big picture” priorities related to our vision and mission. This has helped re-establish our board as a strategically minded body with sights set on what Trinity Christian Academy could become rather than on the minutia of the day. Also, we have come to realize that for too long, we have relied on the visionary leadership of our predecessors. The strategic planning process has helped invigorate our board with a sense of it being our time to lead and do

the hard work of establishing structures that will create a sustainable model for our school's next 25 years.

The creation of a four-year budget model has given us realistic and clearly defined parameters within which to operate. The board is also looking forward to writing policy that will help us maintain a school leadership model that is predictable, equitable, and free of legal or ethical jeopardy. Doing so will also set precedents from which future boards can operate to remain accountable as they operate within a formal set of clearly defined responsibilities.

To paraphrase the words of one of our school board members, "This is historic! It may not be visible like a building project, and while we may not have a ribbon-cutting or our names on plaque, this plan will serve as a financial foundation for many projects in the years to come."