

Teaching

What is the "Lukek Estate"?

Ceil Lukek was a long time parishioner of St. Mary Magdalene who willed the remainder of her estate in January 2000, to SMM for the school. To date the estate is not entirely settled, however, when the details of the settlement are completed, about \$500,000 to \$600,000 is projected to have been invested. (*See the Lukek Estate report on the Administration page*)

"How are the funds from the Lukek estate applied to benefit the children at SMMS?"

Keeping in mind Ceil Lukek's intent and relying on the expertise of the Diocesan investment department, the money, as it is received, is invested. It is a goal to preserve as much of the principal as possible, using the annual interest to directly aid every family who applies for additional financial assistance. The projected amount of money to be used for the students next year is \$80,000. The long-term investment goal is to preserve as much of the principal as possible, using the interest to provide additional financial assistance.

Yes, the entire fund could be used in one school year, but it still wouldn't meet the annual school operating budget of \$900,000. Good stewardship dictates investing and developing the principal and using the interest.

Is there a budget for SMMS?

There is a budget developed by the Finance Council, the Pastoral Team and the School Principal. The budgeting process proceeds first by determining expenses:

- < The committee reviews the budget (*projected and actual*) from the current year and prior year
- < Salaries/benefits and their increases are projected for the following year
- < Each line item is reviewed and the cost is forecast for the following year
- < Parish *aid / subsidy* is projected. For example: School Year 2002-2003, the projected *aid* to the School from the Parish is \$175,000 toward the total School Operating Budget of \$900,000

After the Total School Operating Expenses are determined, the budgeting process continues by determining income:

- < Projected enrollment is determined. Usually the enrollment of the present year is used. (287)
- < Probable *predictable* income is projected: *Mandated Services, Candy Sale Money and Market Day, Gifts and Donations, Lukek Estate.*
- < Subsequent year Parish *aid / subsidy* is identified,
- < Current year tuition and fees income is reviewed

Then the costs for education are determined:

- < Total probable *predictable* income and current year tuition and fees income are subtracted from the projected Total Operating Expenses for the subsequent year
- < The **difference** between the projected Total Operating Income and Total Operating Expenses is the amount, when divided by the number of students to be enrolled, determines the increase in tuition for the subsequent year.

Will the cost to send my child to a Catholic School continue to increase?

As is true for any operation, operating costs increase. However, we are hopeful that the amount of *aid* available will also increase. Furthermore, during the past 3-4 years, larger percent increases have been necessary in order to meet the goal of parity of scale for teachers in catholic elementary schools with the public schools scale. As we near our benchmark of 75% salary ratio, the raises will be at a minimum and what families pay for the child's education will begin to level out to moderate increases.

Additional incentives for families to keep their costs lowered.

- T Help recruit new students. The per child cost is reduced WHEN the enrollment increases.
- T Make it a habit to contribute to the weekly church collection. 50% of what you contribute can be deducted from your tuition next year.
- T Try to purchase Market Day items. 1% comes back to you.

Please note that we are always happy to entertain your questions regarding school finances:

- T Father Ron Wearsch, Pastoral Team
- T Father John Singler, Pastoral Team
- T Mrs. Judy Nakasian, Principal
- T Mr. Jim Arndt, Finance Council Chairperson