

School District of the City of Royal Oak
MEMORANDUM

TO: Thomas L. Moline
FROM: John R. Schwartz
DATE: April 22, 2010
SUBJECT: Revised Pay-to-Participate Recommendation

Based upon input received from the Board of Education and members of the Finance Committee, the Pay-to-Participate recommendation has been revised. The most significant change is the move back to a per sport fee at ROHS instead of a one-time, annual payment. This change reduces revenue by approximately \$30,000 or 30% from the previous recommendation. The ROMS fee remains a one-time, annual payment with the amount reduced from the previous recommendation (\$150 to \$100). This reduces projected revenue by approximately \$10,000. The provisions of the revised Pay-to-Participate recommendation are now as follows:

- \$150 per sport at ROHS for first sport
- \$100 per sport at ROHS for second sport
- No fee at ROHS for third sport
- \$250 per student cap at ROHS
- \$40 per sport at ROHS for first sport for students eligible for reduced meals
- \$25 per sport at ROHS for second sport for students eligible for reduced meals
- No fee at ROHS for third sport for students eligible for reduced meals
- No payment for students eligible for free meals

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- \$100 annual per participant fee at ROMS
 - \$25 annual per participant fee at ROMS for students eligible for reduced meals (25% of full fee)
 - No payment for students eligible for free meals.

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- \$700 family cap
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Please refer to the attached spreadsheet for the calculations of projected revenue.

It should be noted that the above mentioned revisions reduce Athletic Fund Pay-to-Participate revenue by \$40,000, which increases the General Fund contribution by a like amount. The bottom line.....the change in the Pay-to-Participate recommendation increases the operating deficiency in the General Fund by \$40,000.

/bls