

10 March 2017

Dear Parents, Friends and Colleagues,

Budgets are always a difficult and complex issue, but they are essential to the life, quality and success of our school. A good budget provides all of us—students, teachers, parents, administrators and other benefactors—the peace of mind that we are planning well, and that we have the resources and the framework to provide the quality education and inclusive, safe and stable environment we want our students to have. We are a learning community, and we need to make the investments necessary to ensure our learning is at the standard we all want and expect.

I am writing today to share with you the approved school fee increases for next year. The Board of Governors and the ICS Administration have approved the budget plan. I want to be as clear and transparent as possible on this, and welcome comments and feedback from parents, friends and colleagues as we move forward.

Due to continued upward pressure on costs, especially from the housing rental market, teacher salaries, and program costs, we are instituting a modest increase in tuition to defray these costs. We are also adding modest fees to partially cover the costs of some of the individualized Learning Support services ICS is proud to provide. We are doing this to ensure we will continue to have the resources to provide the quality education we all want for our students.

First, I have sought to describe the process used by the ICS Administration and the Board of Governors to determine annual budgets, tuition and other fees at the International Community School of Addis Ababa. I have detailed the fee increases for the 2017–2018 school year (SY1718) below.

Budgeting Processes

ICS Addis is a not-for-profit institution. Almost 100% of our expenses are currently covered through tuition, registration, capital levies and other fees that organizations and families pay to send students to ICS. While we may seek to change this through more active fundraising in the future, this is our reality for now.

The Board of Governors approves our operating and capital budgets every year, which includes tuition, capital fees, and operational and capital expenditures. We have a two-year rolling budget plan, and a longer-term capital budget plan. Our budgets are conservative, based on limited growth and limited increases to salaries, benefits and programs. We always look for ways to hold costs steady or even to cut costs. This year, several positions are being trimmed from our programs, and other positions are being changed from overseas-hired teaching positions to local hire positions, which will reduce costs.

Any positive net result at the end of the year goes into our emergency or capital reserve funds for future contingencies and projects.

To assist in our decision-making processes, ICS benchmarks tuition, fees, faculty salaries, demographic data, and other useful indicators with comparable U.S. State Department-sponsored schools in Europe, the Middle East, South-East Asia and Africa. The list includes the

seven ISSEA schools, and other high quality international schools in Africa. We need to be competitive on the international stage, particularly in hiring and retaining good teachers, and in becoming a world class school per the Board of Governors' vision.

Tuition and registration fees are the primary sources of funding and they cover all our annual operating costs. They pay for salaries, books and materials, student technology, small renovations and repairs, security and cleaning, and all our school programs.

Capital Levy fees are used only for building projects, major renovations, major equipment purchases, vehicles and any other large capital expenses. These fees are the main source of funds for our long-term infrastructure improvement plans and allow us to maintain our high-quality learning environment.

You can read more detail about our income and expenses in the [Annual Reports](#) that are provided online.

Tuition and Fees for SY1718

The Board of Governors has approved changes that reflect the needs and identity of the school, and will ensure we can maintain, and continue to improve on, the quality we have now. This year, the tuition increases are different for the high school as opposed to the early childhood, elementary or middle schools. These distinct parts of the school have different requirements, and we want to ensure our budgeting reflects that as fairly as possible.

You will also note several new fees for individualized Learning Support services. This is a distinct change, and an important one. ICS provides these services to many of our students, and is the only school in Ethiopia to do so. Few schools in Africa are able to provide them. The services ensure we can meet one of our main goals as a school—being inclusive and supporting children from many backgrounds, including some with learning disabilities. This is critical to the identity of our school, and we will not sacrifice it.

We have provided some of these services for about seven years now, and they have been covered by the general budget with small subsidies by some of the students in need of the most resources. However, our support programs are growing and we want to sustain quality and access to services. ICS recognizes that it has an obligation to provide these services, with the support of the entire community. But, we also recognize that some of the cost can and should be borne by the families that benefit directly from them. This is very much consistent with the way comparable schools around the world charge fees for similar services.

Changes for Tuition, Capital Levy and Registration Fees for 2017–2018

- A 3% increase in tuition for early childhood, elementary and middle school.
- A 5% increase in tuition for grades 9–12 (the high school).
- There will no changes in the Capital Levy for new or returning students.
- The application/registration fee will drop from \$500 to \$300. It will be non-refundable. Anyone who has already paid the \$500 fee will have the extra money credited towards the tuition.

Fees for Individual Learning Support Services

Fees for specific, individualized Learning Support services that are provided or required by ICS Addis will be instituted beginning in August 2017:

- Speech Therapy services will be \$1500 annually, billed by the semester.
- Occupational Therapy services will be \$1500 annually, billed by the semester.
- Educational Psychological testing will be \$500 if required by the school, or \$2000 if requested by the family.
- The current fee for Transition A students will rise from \$4000 to \$4500.
- The current fee for Transition B students will remain unchanged.

These changes are consistent with our long-term financial planning. They will help us sustain program quality across the school. Our comparison international schools in Africa are making similar increments for tuition. With these increases, ICS will be closer to the median for fees, tuition and levies among our comparison schools.

Detailed information is included in the Tuition and Fee Schedule for the 2017–2018 school year. It is attached to this message and is also available online at

www.icsaddis.edu.et/admissions/tuition-fees .

Re-enrollment information will be sent to you via email from the school when we return from the March break.

Questions?

The Head of School and Board of Governors will present the headlines of the SY1718 budget during the upcoming Association General Meeting (AGM) on 19 April 2017. If you have specific questions, you are invited to send them to feedback@icsaddis.edu.et before the meeting so that we can be better prepared to answer them. Thank you for your continued support to ICS.



James Laney Jr
Head of School