

GCTYO to introduce Voluntary Tiered Fee system for the 2024-25 season

Dear GCTYO Families,

GCTYO recently completed a 3-5 year comprehensive strategic plan that identifies several areas of focus, including governance, faculty training, curriculum, rehearsal practices, administrative support, and finances. We will update you periodically on the progress we are making in each of these areas as we work through the plan. First, we are turning our gaze toward our finances.

For many years, GCTYO has kept membership fees as low as possible while maintaining a generous financial assistance program. The result is that we have been charging far less per student than the actual cost of running our program. In fact, under the current fee structure, we are charging just 43 % of the actual per-student cost. This model worked for many years. With grants and a few generous donations, we've been able to run a balanced budget, even finishing with a surplus several seasons in a row. However, with increasing pressures on our budget from inflation, plus substantial program growth, our current budget model is no longer sustainable.

Starting this September (2024), GCTYO will implement a Voluntary Tiered Membership Fee system.

What's a Voluntary Tiered Membership Fee system?

A Voluntary Tiered Membership Fee system will allow GCTYO families to choose the fee that works best for them. You will literally be able to name your price (out of 3 options) when you pay your membership fees. Your choice will in no way influence your musician's GCTYO experience. In fact, none of the conductors, coaches, or artistic staff will know what choice you made, including the Music Director.

How much will my fees go up?

*Your membership fees will not increase at all next season. **Tier Pink fees for the 2024-25 season will remain exactly the same as the fees for this season.*** Your fees will only be higher next season if you choose Tier Blue or Tier Purple. It will be your decision entirely to pay a little more to help GCTYO increase revenue and achieve our budget goals.

Over the next several years, fees will increase gradually. We will continue to offer the Voluntary Tiered Fee System every year, with Tier Purple, Blue, and Pink options. The goal is for membership fees to cover more of GCTYO's total annual expenses *over a period of five years*. We will still rely on grants and donations to cover the remaining expenses. By the 5th year, membership fees should cover 55% of GCTYO's total annual expenses. This extra revenue, while still far short of covering all our expenses, will make a huge difference in the financial vitality of the organization.

What will the Tiers look like?

Tier Purple will equal the full cost (100%) of educating a GCTYO musician *in five years*. Next year, it will only reflect 53% of the total cost of the program. After that, Tier Purple will increase on average 28% per year, so that in year 5, it covers 100% of the estimated cost of educating a GCTYO musician.

Tier Blue will equal 75% of the full cost of educating a GCTYO musician *in five years*. Next year, it will only reflect 48% of the total cost of the program. After that, Tier Blue will increase on average 22% per year, so that in year 5, it covers 75% of the estimated cost of educating a GCTYO musician.

Tier Pink - This is the same tuition that you paid last year. It is 43% of our actual cost per student. Tier Pink will equal 60% of the full cost of educating a GCTYO musician *in five years*. Next year, it will only reflect 43% of the total cost of the program. After that, Tier Pink will increase on average 18% per year, so that in year 5, it covers 60% of the estimated cost of educating a GCTYO musician.

How will I select my Tier?

You will simply choose the rate that is appropriate for your family when you accept your musician's placement within GCTYO. Your choice will in no way influence the experience your child receives.

Is my family still eligible to receive financial assistance?

Yes. Our financial assistance program will remain the same.

The cost of tuition should never be a barrier to musicians who want to participate in GCTYO. Financial assistance is always available to GCTYO families that qualify. Please

check the [Financial Assistance page on our website](#) for details or email [Executive Director Beth Ulman](#) for a personalized plan. If you have been a part of our financial assistance program, you may still be eligible for financial assistance using the same guidelines and application process you have in the past. Assistance is based on income and family need and includes full and partial fee reductions and extended payment plans.

What are GCTYO's biggest expenses?

- Wages:
 - Salaries for Teaching Artists
 - Salaries for Music Director, Executive Director
 - Administrative Salaries for Librarian, Operations, Development
 - Payroll taxes
- Rent
 - Rehearsal space
 - Storage for equipment and music
 - Office space
 - The Klein for concerts
- Program expenses
 - Music
 - Moving equipment to and from rehearsals and concerts
 - Guest artists for concerts
 - Professional development for Teaching Artists
- Professional fees: Insurance, bookkeeping, accounting, website, consulting
- Misc expenses: Printing, graphic design, taxes, travel, marketing

We understand that this may seem like a big change, and in some way it is. However, we want to reiterate that tuition is not increasing for next year. Any increase your family chooses to pay is voluntary.

Please feel free to reach out to either Beth or Chris. We are always available to talk through your concerns or answer any questions you may have.

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