

VISIONS & VALUES

A Communication from the Board of Directors | January 2019



STATE OF THE SCHOOL

Dear Hill Country Community,

As 2019 dawns, it seems appropriate to reflect upon the ministry of Hill Country Christian School, to consider where we have been, and where the Lord is leading us as we embark on a new year.

Hill Country Christian School is in its 23rd year of Christian ministry serving families in the greater Austin area. Our first senior class graduated in 2000, and for the third consecutive year, we expect to graduate a record number of seniors, bringing the total number of Hill Country graduates to nearly 400. I am eager to see how the Lord will continue to work among the students He entrusts to us within the days and years to come.

The 2018-2019 school year marked the end of a two-year transitional period within school leadership following the resignation of Mr. Bill McGee in the spring of 2016 after his eight-year tenure as head of school. We were fortunate to find another seasoned head of school in Mr. Tim Hillen, who served us well for two years as interim. During this time, while I was the Upper School principal, the board of directors asked me to consider becoming the next head of school. After an extensive prayer process, I accepted and was mentored into the role by Mr. Hillen.

As I complete my first semester as the new head of school, I am excited about what the Lord is doing in our community! I hope you will agree as you read this newsletter and learn more about where we are as a school, some of the exciting things that are ahead, and explain both the need for and benefits flowing from the 2019-2020 tuition increase.

Multipurpose Athletic Center (MAC)

Last fall, Hill Country launched a \$5 million capital campaign aimed at expanding the Lord's territory in North Austin with a new state-of-the-art athletics complex, here on the Hill Country Bible Church (HCBC) Lakeline campus. Our board of directors and HCBC leadership agreed to proceed with this project if one of two things happened: (1) Raise \$5 million, or (2) Sell our Little Elm property in addition to fundraising approximately \$4 million. With sacrificial giving by many in our community, an incredible \$4.4 million has been pledged. Last month, the sale of our property extinguished \$2 million in debt and yielded \$213,000 for the MAC.

Following the example of other similar Christian schools in Texas, we expect the addition of the MAC will attract a new demographic of families and students to our community, which in turn will bring resources for further school expansion, including a high school academic building. This incredible facility will be a place where people will hear the name of Jesus proclaimed, athletes will be disciplined, and our community nurtured through fellowship. Furthermore, HCBC will use the MAC on Sundays to further their ministry of sharing the gospel and bringing people to Christ.



Wednesday, February 13
3:15 p.m.-4:00 p.m.
on the Future Site of the MAC

Final pricing is now complete, architectural plans are finished, and final permitting is underway. As a result, we will begin construction next month, after financing is secured with Frost Bank. Our contractor expects construction to take 12 months with completion expected in March 2020. In addition, I am excited to announce that our groundbreaking event will take place on February 13 at 3:15 p.m. Please plan to join the school community for a time of prayer and celebration.

In short, the MAC is the first step to expand the Lord's territory in north Austin by solidifying the option of an excellent, Christ-centered education at Hill Country for the three million additional people expected to settle in greater Austin over the next 30 years. Regarding our operating budget and impact on tuition, the additional operational cost accounts for 17% of the Upper School tuition increase.

Spiritual Formation

Spiritual formation is an integral component of a Hill Country education. We encourage our students to ask the tough questions as they grow in their knowledge and faith, surrounded by Christian faculty and staff who are committed to discipleship. To this end, we spend monthly faculty meetings focused on an introduction to core Christian theology.

The Hill Country Leadership Academy (HCLA) will launch in the fall of 2019. HCLA will exist to teach foundational aspects of Christian leadership and to develop students seeking to be excellent leaders. The first phase includes a mentoring program for rising high school students. Future expansion may incorporate leadership in Lower School and a required semester leadership course in Upper School.

New formats developed for both Upper and Lower School chapels will continue. Adding a praise team and multiple chapels in Lower School and monthly topical chapels with panel Q&A in Upper School, have all been well received. Over the next two years, the Deep Roots Bible curriculum taught in 4th and 5th grades will be expanded to 1st-3rd grades. Character counts curriculum will continue.

Our annual high school mission trip to the Makarios School, a small Christian school in the Dominican Republic, will continue next year over Thanksgiving break. The Lord has been using this trip to transform the hearts of our high school students for almost 20 years.

Lastly, we are introducing new House service projects. All five Upper School houses will serve at either a ministry for the homeless in east Austin or at a local Crisis Pregnancy Center. The first of these events occurred on December 14, 2018, with more to come.

Student Culture

School administration worked tirelessly over the past two years to improve school culture. As mentioned above, Lower School chapel has been entirely re-imagined; we have worked to restructure upper elementary lunch to make it fun and productive, and we continue to add opportunities for students to lead.

In the Upper School, student government has been encouraged to become a vocal advocate for school improvement and has actively engaged in positive change. House leadership, homeroom, and house activity times were modified to improve the culture in response to survey results. We expect the introduction of HCLA to continue to move student culture in a positive direction.

Faculty/Staff Culture

We are blessed with an incredible faculty and staff! To retain and continue to attract excellent people, we must compensate them competitively. Since 75% of our school operating budget is allocated for faculty and staff compensation, budgeting for a 2.0% average raise yields a 1.5% increase in the 2019-2020 budget. Furthermore, our starting salary this school year for a new, bachelor degreed teacher with no experience is \$38,500, compared to \$47,000 in LISD. Beginning the 2019-2020 school year, we will raise our starting teacher salary to \$40,000 and adjust other teacher salaries to remain equitable.

Healthcare benefit costs continue to soar in the United States; therefore, we are planning for a 20% budget increase in this area. Hiring excellent people costs money. We are budgeting to maintain and expand the excellence of our faculty and staff, the lifeblood of our school ministry. Addressing these compensation issues alone requires a 2% tuition increase for 2019-2020.

Financial Stability

Our school board continues to improve fiscal policy to undergird our ministry and ensure long-term viability. A few years ago, the board of directors decided to resume a full cost-based tuition model and transition from subsidizing up to 5% of the school's operations through donations. The 2018-2019 school year marks the final year of this transition; therefore, the 2019-2020 budget will be 100% funded through tuition and fees. This positive move toward financial stability comes with a cost; specifically, \$230,000 of annual fund and other donations in the current year's budget will be funded entirely by tuition revenue. The future blessing is a ministry that is financially viable for the long-term. This change alone represents more than a 3% tuition increase for 2019-2020 which will not be necessary for future years.

Academics

Hill Country Christian School is academically strong, and we hope to continue raising the bar. Our mean scores on the ACT and SAT for the class of 2018 were in the 87th and 80th percentiles nationally (27 and 1227 respectively). We have nationally and internationally recognized yearbook and theatre programs, in addition to a new middle school choir program. In 2018-19, for the first time, our school offered a dual credit course (Government) on campus, taught by our faculty. Next year, we plan to offer a dual credit course in Statistics and add AP Physics to our curriculum.

Our graduates excel in college and are becoming teachers, attorneys, medical doctors, nurses, earning PhDs in chemistry and mechanical engineering, and attending seminary. All of our programs seek to prepare students to excel in college and future vocations, giving them a platform to share Christ with a world that desperately needs Him!

Re-accreditation

The re-accreditation process with SAIS/AdvancED will commence in June as we revisit strategic planning and set the course of our school. Re-accreditation occurs every five years and is invaluable for school introspection and improvement. Preparation will continue throughout 2019-2020, leading up to our site visit in November 2020. Furthermore, renewal of our CESA membership occurs in 2019-2020, which involves another team visitation, probably in the fall of 2019. SAIS accreditation and CESA membership are essential to the health and well-being of our school, but they require resources and are additional budgeted items.

Athletics

This school year, approximately 215 students will participate in 40 athletics teams. We have taken decisive steps to expand and strengthen our athletic programs. For example, although field rental costs for our baseball and softball teams more than doubled for 2019-2020, we have successfully negotiated a new fixed rate for the next five years at 60% of the going rate. Middle school basketball schedules have expanded, and future tournament entry fees are allocated in tuition for all sports. Discipleship abounds in the context of athletics, and this will continue.

Admissions, Marketing, and Enrollment

As we seek to advance the school's mission, we continue to be strategic in our thinking regarding current and future enrollment challenges. Although we average enrolling 100 new students per year, additional work remains to improve our retention rates to curb five years of flat enrollment. The advancement arm of the school is working to increase the applicant funnel. A qualitative analysis of our word-of-mouth marketing and quantitative analysis of our marketing strategies will result in a new, strategic marketing and enrollment plan. This will run parallel to working on a new school strategic plan.

Lower School enrollment has declined in part to lower birth rates. The Centers for Disease Control and Prevention reports that in 2017 the nation experienced a sharp drop in births that saw the fewest newborns since 1987. I believe we are impacted by another national trend where research suggests that kids now make worldview choices much earlier than in previous generations. To address this and build up our Lower School admissions, first, we are working to establish excellent relationships with Christian preschools in the area that will serve as feeder schools. We will be providing resources they need in exchange for promotional consideration. We want every family graduating from a local, like-minded Christian preschool to consider attending Hill Country. Second, for 2019-2020, we have adjusted Kindergarten tuition separately from 1st through 5th grade to be more competitive in the marketplace.

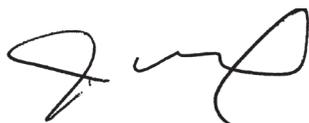
Upper School admissions have increased over the past five years. With the addition of the MAC, we expect Upper School enrollment to continue to rise and reach capacity. Total school enrollment is currently 564 students with a capacity of 650 with current facilities. Reaching critical mass will help facilitate and fund expansion of a high school academic building.

We are committed to admitting mission-appropriate students with average to above average academic ability. We are also committed to help students with minor learning differences achieve academic success by making academic intervention services available. To improve diversity in our student body, we are working to grow our International Exchange Student program by a few students per year.

Lastly, the 2019-2020 budget includes funding for a part-time development director. The primary assignment for this person will be establishing relationships with alumni who are a school's most loyal supporters. We believe this will bear fruit on many levels from employment, future admissions, fundraising, and mentoring current students and families.

In conclusion, 2019-2020 looks to be another exciting year at Hill Country Christian School of Austin! Please continue to pray for the Lord to expand our territory for His glory. Let's get to work.

In Him,



Jeff Marx



JOIN US!

Wednesday, February 13

3:15 p.m.-4:00 p.m. | Hatch Field