

Tuition and Staff: What Happens During a Pandemic Closure?

Should Parents Still Pay Tuition?

You will always want to look at the specific language of what you are guaranteeing in your enrollment agreement, policies and handbooks but generally speaking for a K12 program, parents should still pay tuition if you are still providing some educational instruction either through online or take home packets. Teachers are still preparing lessons and providing instruction to students. Ultimately the parents are paying for a certain grade level education which they are still getting and still receiving the bargain for through the student's cumulative academic record and testing measurements.

For early education programs it becomes a bit more difficult. While we would say these are educational programs there is a high element of child-care which the parents are no longer receiving. Additionally, any work or lesson plans sent home are really for the parents to do with their child in greater or lesser extent. That is to say, the parent takes on part of the teacher role. You will have to evaluate where your program falls on this education versus child-care question and what you are holding it out to the families as. Depending on the circumstances, you might say a reduction in tuition is in order or a full refund for the period you are out is appropriate. It might be tiered by age as well. For example, our one-year and two-year old classes may get a full refund, but our K3 class gets a 25% discount, while K4 is regular tuition.

How To Approach Employment Concerns?

Currently there is various state and federal talk of providing some relief for a short-term quarantine. Keep an eye on your state and federal developments whether these types of proposals will go anywhere.

1. At Will-Employment

Non-Exempt (Hourly) Staff – Start with your handbooks and policies. What have you promised and what rights or duties have you created? Next, what does the law require. The Fair Labor Standards Act (FLSA) sets the baseline standards although states can enact more stringent standards. FLSA does not require employers to pay hourly employees for hours they do not work even if the hours were scheduled. Closing your school does not generally require you to continue paying hourly staff if they are not working. Be aware an ongoing conversation is whether companies will voluntarily continue to pay staff for up to two-weeks for a shutdown over the Coronavirus. While we are not aware of any requirements to do this currently, it does raise the question of public perception and optics for the school.

Exempt Staff - Again, start with your handbooks and policies. What have you promised and what rights or duties have you created? In addition, what does the law require of you? An employer must pay an exempt employee the full salary amount "free and clear" for any week in which the employee performs any work without regard to the number of days or hours worked. However, there is no requirement that the salary be paid if the employee performs no work for an entire workweek. The significant exception to this standard is for teachers. Teachers, in educational institutions, are not subject to any salary requirements, from a federal standpoint. Deductions from their salary or pay will not result in loss of the exemption. The safest route is to pay their regular salary if they work at all during the work week.

2. Contract Employment

Your employees under contract will likely be treated under the same standards above but just as states can modify the federal baseline of what's required, schools can modify the employment relationship as well through its contract and policies. So check what you have to see where you stand.