Brightly
A Siemens Company

Schools and Community Event Cost Recovery

Using data to illuminate the impact of event space usage

When it comes to education—whether public, private, K–12, or higher ed—there are two common threads beyond the students, staff, and communities that utilize these facilities: hidden costs and data.

On campus, your assets consist of everything from desks or chairs to the grounds and buildings. They also include gymnasiums, athletic fields, auditoriums, and other communal spaces, and they're all oozing data.

For those tasked with managing budgets, avoiding extra expenses might seem like a no-brainer, but here's the interesting thing: you're likely not catching where your hidden costs are actually coming from. No, it's not the arts or the theater programs; it's usually right there, hidden in plain sight—and you think it's already paid for. Any ideas?

It's events, and they probably cost your school a lot more money than you realize.

At Brightly, we're so convinced that there is an excellent opportunity to use your events-based data to make more informed decisi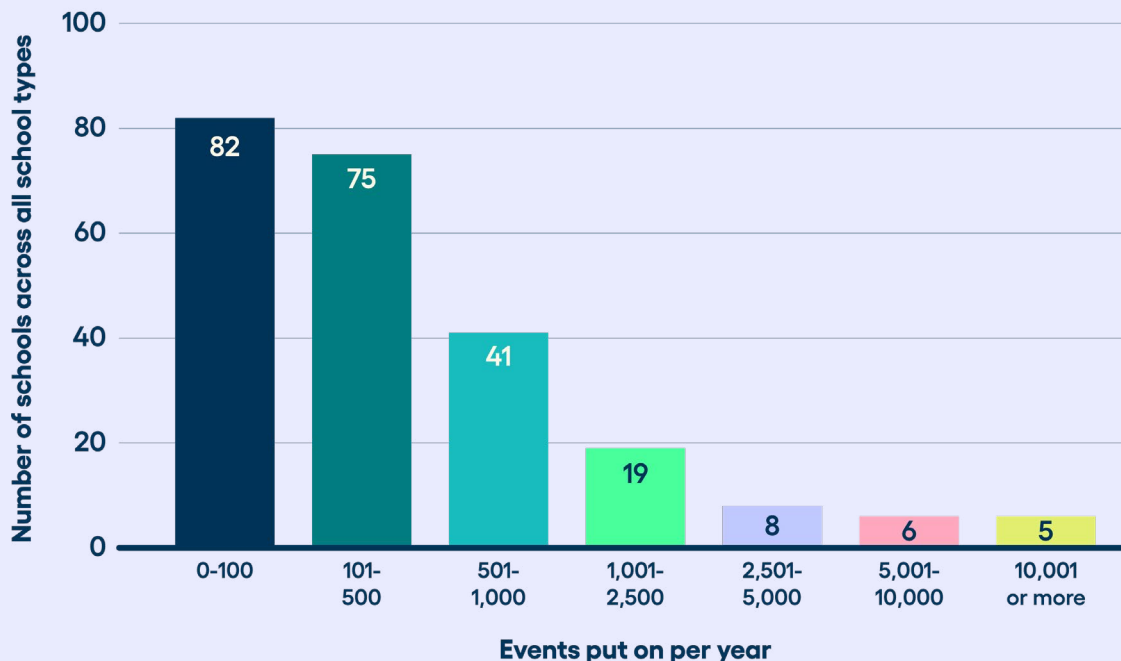ons for your educational institution and assets that we surveyed 240 schools at various levels to dive deeper into the real expenses of events—and whether or not their costs are included in budgets or recovered.

Our data revealed many things, including that schools are hosting **a lot** of events.

In this whitepaper, we're using a data-driven approach to take a closer look into:

→ Your school, its community, and the complications with budgets

→ Why school-hosted events result in overlooked expenses

→ Other factors that contribute to the complexity of events

→ How to use data to unlock the full potential of events

Number of schools who hold events by quantity of events per year

Bar chart — Y-axis: "Number of schools across all school types" (0 to 100); X-axis: "Events put on per year"

Events put on per year	Number of schools
0-100	82
101-500	75
501-1,000	41
1,001-2,500	19
2,501-5,000	8
5,001-10,000	6
10,001 or more	5

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1: Health and safety for all

Schools are part of the community, whether yours is in a college town, suburban city, or an urban neighborhood. From sports teams that need cheering on to extra-curricular productions that get standing ovations to non-performative meetings, educational facilities have become the go-to place for the gathering of people.

And yes, people—not students. The events held for students? Those cost money, too.

The reality of our educational budgets

Ah, school budgets. It seems like there is never enough money to cover all the costs.

School budgets are complex. They are influenced by shifting demographics, changing enrollment numbers, state mandates, legal requirements, and an ever-evolving landscape of priorities. It's a complicated matrix of diverse federal, state, and local funding sources paired with the need to allocate resources to a wide range of expenses. We're talking staff salaries, instructional materials, on-going facilities maintenance, special education services, extracurricular activities, technology investments, and more.

In short, there's a lot involved in paying for a comprehensive education system necessitating intricate financial planning—and asset management, including event spaces—to balance available resources with the diverse needs of students, staff, and the community they serve. When you factor in current economic challenges, it's safe to say that most educational institutions have to stretch their already stretched budgets.

But did anyone remember to add events—and the costs of hosting them—to the balance sheet?

More than football: Facilities are used by many non-students

Chances are, your school is hosting countless events, serving as the go-to space for:

→ Community meetings such as town hall events and public forums.

→ Parent-Teacher Association (PTA) or Parent-Teacher Organization (PTO) meetings, fundraisers, and family-oriented events.

→ Cultural events, including art exhibitions, musical performances, dance recitals, and drama productions.

→ Community sports leagues, tournaments, and fitness classes

→ Adult education programs, workshops, and seminars

→ Local business expos, craft fairs, farmers' markets, fundraising events, and holiday celebrations

→ Youth programs, including after-school activities, summer camps, and recreational sports leagues

→ Polling places during local, state, and national elections

If you think just because the space is there, it's already paid for, these community events might cost your institution more than you think.

So, how did event cost recovery become a challenge for educational budgets?

Our data overwhelmingly found what we suspected: many schools don't treat event spaces as assets. But oh, how they should.
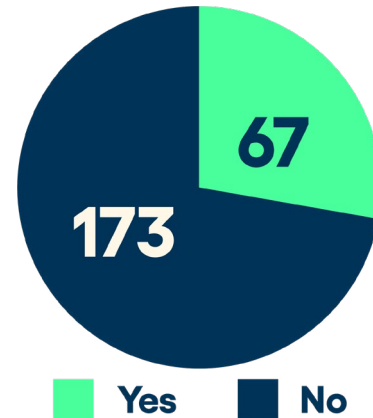
Some responses from our survey:

> "We have leadership that feels schools should be open and used without cost recovery."

> "We have issues recovering costs with school/town events as we do not charge them, especially town events."

Additionally, while more than half of surveyed schools try to maximize their facility usage, including community-based events, they're not always taking advantage of this asset or, in some cases, charging at all.
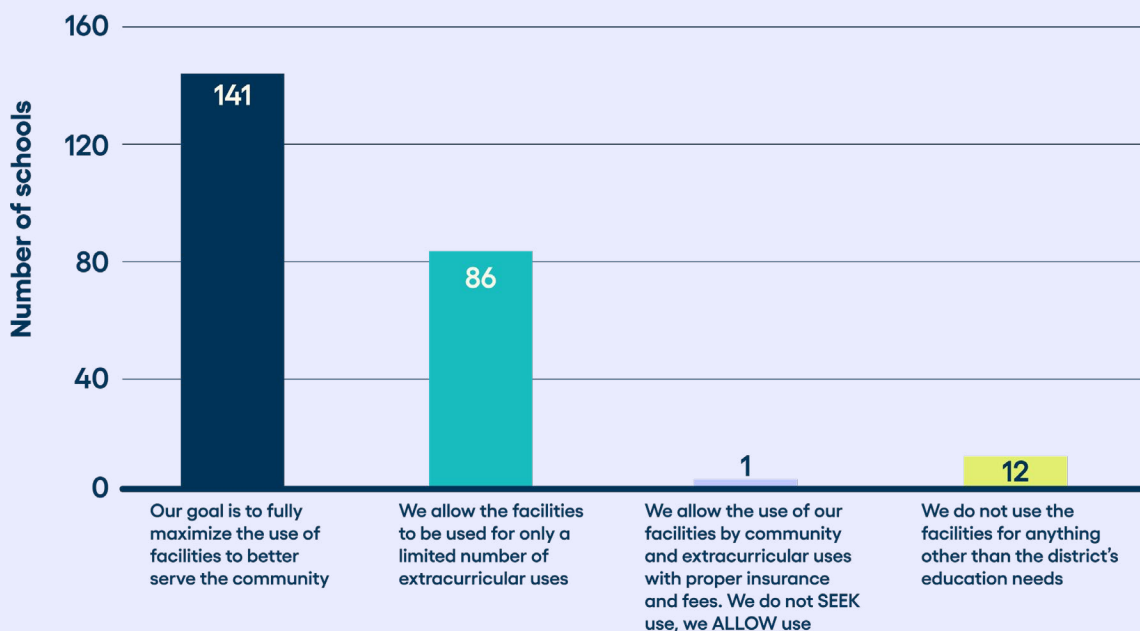
Do you use a tiered billing system?

67 — Yes
173 — No

Example of tiered fee structure

Tier 4 - Commercial Groups
Market rate charge

Tier 3 - Outside Community Groups
Modified commercial rental fee, custodial fee, recovery fee

Tier 2 - Non-Profit Groups
Cost recovery fee, no rental charge

Tier 1 - School Groups
No charge

Event space usage

Number of schools

Our goal is to fully maximize the use of facilities to better serve the community	We allow the facilities to be used for only a limited number of extracurricular uses	We allow the use of our facilities by community and extracurricular uses with proper insurance and fees. We do not SEEK use, we ALLOW use	We do not use the facilities for anything other than the district's education needs
141	86	1	12

Why is charging enough to cover costs an issue?

If it's an external event, that means your students aren't—or shouldn't be—covering that cost with their enrollment fees or tuition. So why aren't administrators just charging more to make fiscal ends meet?

Well, there's a few reasons:

→ For many schools, they simply want to break even.

→ For others, they don't charge the community for events as a sort of PR move, and just absorb the costs to help facilitate neighborhood relations.

→ Some are trying but failing at cost recovery (we bet they're not using the correct data).

→ Some are doing it well with a system and process in place, and it's a revenue driver.

> **Hot tip:** Explaining to the renter the costs to break even can be a lot easier with data.

Read on to learn more about the hidden costs of events to see why a "break-even" mentality might be costing your school.

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2: The hidden cost of events

You might think that because your school already has the furnished space, empty gym, or open playing field, it pays for itself regarding community usage. But that's simply not the case. For many institutions, the total cost of facility usage isn't considered because 1, there isn't visibility, or 2, they aren't collecting or using the data.

Turns out, there are TONS of hidden costs with events

There are a multitude of potential issues affecting your event cost recovery. For starters, the typical space usage costs more than you think. Below are several factors related to the maintenance, upkeep, and usage that can contribute to hidden costs:

→ **Regular maintenance and repairs (HVAC system maintenance, electrical repairs, plumbing, structural maintenance, etc.)**

→ **Event set-up, tear-down, cleaning and janitorial services (labor and supplies)**

→ **Administrative expenses (staff salaries, office supplies, software, etc.)**

→ **General wear and tear (damage to flooring, walls, furniture, and other fixtures)**

→ **Utilities (electricity, water, gas, internet, etc.)**

→ **Maintaining insurance coverage/providing security services**

→ **Ongoing fees for permits and licenses**

→ **Ensuring compliance with accessibility laws and standards**

→ **Landscaping and exterior maintenance for outdoor spaces**

→ **Emergency preparedness (fire safety measures, first aid kits, and emergency response plans)**

But hidden costs don't stop at the above laundry list. Offering refunds or accommodating cancellations may impact revenue and should also be factored into your event costs.

So why aren't we tracking these costs?

Ah, now we're getting somewhere. The team at Brightly has our hypothesis—there isn't a centralized way in place to schedule bookings and track costs, and yes, we mean all costs, even those pesky hidden ones—but the data revealed yet another opportunity: many schools don't even have a good system for managing fees and payments.

19.5%
of K–12 schools listed communication and organization as their biggest challenge

25%
of higher ed respondents listed communication and organization as their biggest challenge

2%
overall listed software challenges as key

3: Other challenges with events

Managing money isn't the only part of events—so many more elements and players are involved (and we're not talking about the coed Sunday league that borrows your soccer field).

Cash not flowing

With 90% offering 30–90 day terms, a great deal of money is left on the table. There is a cost to floating money, even for 30 days. And when those invoices don't get paid on time, there's an even higher cost—both of carrying the debt, but also the administration and hassle of following up. Only 6% of respondents request payment upfront or net 0, which is optimal.

Food for thought: Maintenance staff have to be paid usually within two weeks, so you're paying out money before you receive it.

Navigating payment terms and cash flow

Unknown **9%**
No payment **1%**
Net 90 **5%**
Net 60 **9%**
Net 45 **1%**
Net 30 **69%**
Upfront/Net 0 **6%**
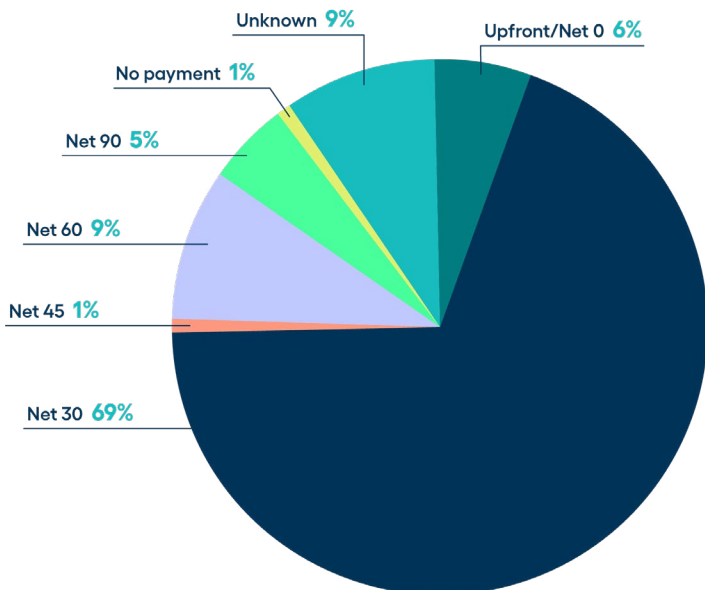
The cost/communication breakdown

Ah, yes, here it is. Most people don't realize that so much communication is involved with events, especially when coordinating with event hosts, organizers, and attendees. Renting out school spaces to the community can present various internal and external communication challenges—20% of our survey respondents cited communication issues as their greatest challenge.

Within your school, coordinating and scheduling external events without disrupting regular academic activities or maintenance schedules can be complicated—and many lack a well-structured communication system to avoid scheduling conflicts and ensure that teachers, staff, and students are aware of these events to plan accordingly.

Larger schools and universities tend to struggle with communication across departments, especially when it comes to big events that affect an entire campus. In fact, our survey shows that higher ed institutions face challenges with communication and organization, 28 percent more than K–12 schools.

And then there's the task of informing the community about the availability of school spaces and rental rates. Clear communication is essential to attract potential renters while addressing their inquiries and ensuring they understand the school's policies and expectations. Also, maintaining good relationships with those using the spaces and promptly resolving any issues or concerns requires effective communication.

But, communication breakdowns can result in lost revenue.

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School District
Estimated costs for facility rental / facility usage / non-standard events

Estimates					
Costs recovered (invoiced and collected) annually	$ -				
Number of students invoiced	5,000				
Number of events per student per year	1.00				
Number of events per year	5,000				
Administrative staff time per event (minutes)	35				
Custodial time per event (minutes)	60				
Energy costs per student / per year	$256				
M&O costs per student / per year	$330				
Energy increase, related to events	10.0%				
M&O increase / wear and tear related to events	1.5%				
Staff time (hours) per year	2,917	hours @	$ 25	=	$ 72,917
Custodial time (hours) per year	5,000	hours @	$ 25	=	$ 125,000
Total energy cost per year	$ 1,280,000	@	10.0 %	=	$ 128,000
Total M&O per year	$ 1,650,000	@	1.5 %	=	$ 24,750
Results					
Staff Time	$ 72,917				
Custodial	$ 125,000				
Energy	$ 128,000				
M&O / Wear and tear	$ 24,750				
Estimated cost of events	**$ 350,667**				**$70/student**

Tear-out page

Use this chart to calculate your costs. Our example above is filled with sample numbers. **Download your own copy here** and customize it with your organization's data.

Impact of facility use on schools

Most institutions have many activities happening during the school day and after hours—for school-related extracurriculars and community events. What's often overlooked in the facility use conversation is the financial impact external rentals have on an institution.

Scheduling events and coordinating support services is a complicated process that involves many stakeholders. Between checking spaces for availability, routing permits for approval through multiple channels, notifying service providers, and checking for proof of insurance, principals and site secretaries, the business office, department heads, and teachers, as well as the food services, custodial, technology/AV, energy management, and maintenance departments could all be all involved in a single permit request.

At the end of the day, limited resources and a lack of available data make it challenging to support the facility use process.
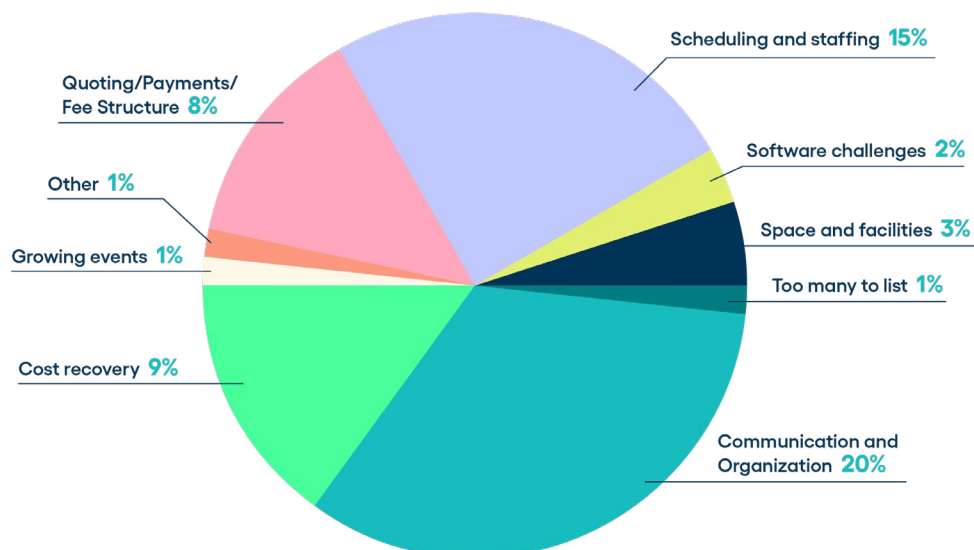
Too many disconnected parts of this puzzle

Schools need a centralized place that talks to their asset management system to hold all the many details for events that can help with communication challenges. Otherwise, many schools—and the event spaces they rent out—end up on the "top pains with cost recovery" list.

A centralized system is helpful because:

1. Scheduling done on paper can result in over/underbooking

2. You can lose money if tracking payments/invoicing isn't linked to how you communicate about your events.

3. Without a connected system, schools can't plan for accurate staff requirements to support events

4. When utility usage/control isn't factored in, schools end up eating the costs

5. If a system is used, it is siloed or doesn't integrate with other asset management solution

Challenges schools face with events

Scheduling and staffing 15%
Software challenges 2%
Space and facilities 3%
Too many to list 1%
Communication and Organization 20%
Cost recovery 9%
Growing events 1%
Other 1%
Quoting/Payments/Fee Structure 8%

9

But don't just take our word for it. See what survey respondents had to say about their particular issues:

Staffing + utilities

"Since we are not a fully staffed recreation center, we have to pay and require our staff to work overtime. We do not have the infrastructure after hours to fully support our rentals outside of our regular security officer and strategically planned housekeeping support. We also do not account for the cost of utilities, consumables, and other operational costs we have when opening a building after hours."

"We do not charge for events, and have challenges keeping the custodial team informed of "tasks" required for events as they do not utilize computer/app/email."

There's no such thing as a "free" space

"Everyone wants to use the buildings and grounds for free and not pay for cleanup and maintenance afterward."

"The consumers have sticker shock for the cost. We do not open up our doors without cost, and the typical consumer doesn't always see that. They expect everything for free."

"We're not breaking even or going under after costs associated with opening for event-facilities side, concessions, staffing, etc. ... vs ticket sales."

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4: How to unlock the full potential of events with data

The first step in fixing your problem is admitting that you have one. If you're a school administrator, and you see those budget holes or can't quite figure out where you're spending so much money, take a closer look at your events. Then, double-check how you manage them. The answer lies in your data.

Treat your event spaces like a (very expensive) asset

From playfields to classrooms, you need to treat any space leveraged beyond school hours and use as an asset that will incur additional costs. From the parts or products used for general upkeep to the labor necessary to ensure continued use of these spaces, just like any other asset on school grounds, you'll want to start tracking the data points accompanying them.

Get an asset management solution designed specifically for events

An asset management solution specifically designed for events can help event personnel—including the operational teams tasked with cleaning up after—track and manage events. Schools that host events in their spaces need platforms that keep all involved parties informed and provide visibility on important event milestones such as scheduling, approval, payment, logistics, planning, promotion, and post-event reporting to ensure streamlined communication across multiple parties.

## Create a clear and accurate calendar for all constituents

Look for a solution that can seamlessly consolidate all events into a single calendar, integrating with your school's preferred calendar platform, such as Outlook or Google, to eliminate the need for double entry to ensure your team stays informed about upcoming events.

Make your event data useable

At Brightly, we're big fans of a centralized dashboard that makes it simple to prove and capture key metrics like facility usage cost, scheduling conflicts, and resource tracking to back up future rental rates. Look for a solution that lets you customize your dashboard to easily see what your school—and your budgeting decisions—require.

We recommend implementing a solution that gives you:

1. Data dashboards

2. Community request portal

3. Communication help

4. Invoice management

5. Integrations

6. Support

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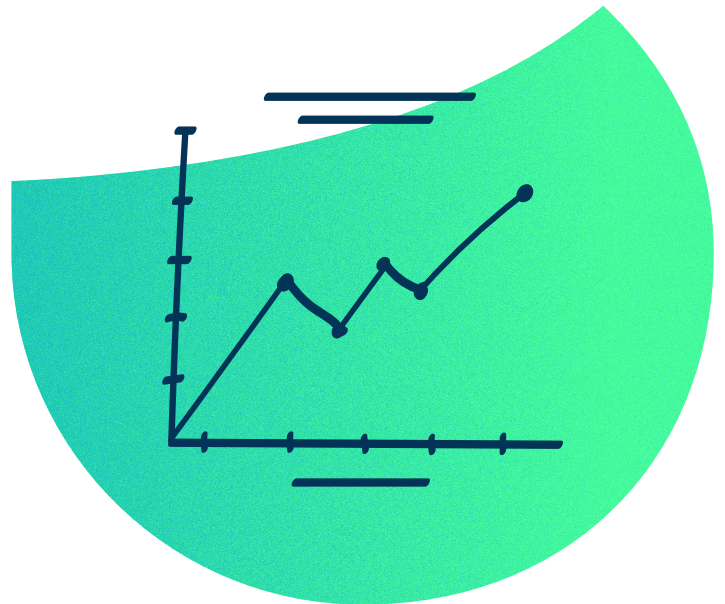
Wisconsin School District Streamlines Facility Management

Verona Area School District in Verona, Wisconsin, needed an intuitive solution to streamline event management across 50 facilities and enable its Facility and Event Scheduling Coordinator to quickly view setup needs, tear-down needs, custodial tasks, and usage reports. The district upgraded its facility management with Brightly's Event Manager and saw immediate benefits with the customizable solution.

After two and a half years, Verona has experienced several benefits, including:

→ **Immediate visibility.** With color coding and an easy-to-use dashboard, Event Manager allows quick insight into which facilities are available on specific dates and which custodial tasks are needed at each facility.

→ **Increased revenue.** With a simplified process to schedule and manage facilities, the district has increased the number of facility rentals. After the school district's first COVID-19 pandemic year, it earned about $140,000 in gross revenue from facility rentals.

→ **Integrated billing.** Event Manager offers the ability to invoice clients directly through the software and lets them pay invoices online.

Read the full story

Shining the Brightly light on event asset management

At Brightly, we believe that giving events and facility managers the right tools can enable them to take control of the entire event planning process—and help ensure adequate cost recovery is possible.

Brightly Event Manager™ is a user-friendly platform that simplifies event management to help educational institutions run events and maximize your returns on facility rentals. Whether you want to Take control of your event payment processes while providing an easy event experience for event holders or increase revenue by simplifying event requests for community members, our solution simplifies event management.

With a data-rich dashboard and reporting capabilities, Event Manager gives teams the power to prove and capture key metrics like facility usage cost, scheduling conflicts, and resource tracking to back up future rental rates. A customizable dashboard lets you see what matters to you instantly, including:

→ Deep insights into event cost details

→ Breakdowns of pending events and registrations

→ Active requests

→ Measurable impacts of events

Event cost recovery is essential to allow schools to maximize the utilization of facilities and generate additional revenue, which can be reinvested in educational programs or infrastructure improvements and ease the burden on tight budgets to help provide better student resources and opportunities.

By bringing your event data front and center while making the booking, scheduling, and managing facilities more efficient, Brightly Event Manager can streamline your event management process to help your school take accurate cost recovery actions—all from one platform.

Ready for a better event management solution? **Schedule a call with an expert today!**

About Brightly Software

Brightly, a Siemens company, is the global leader in intelligent asset management solutions, enables organizations to transform the performance of their assets. Brightly's sophisticated cloud-based platform leverages more than 20 years of data to deliver predictive insights that help users through the key phases of the entire asset lifecycle. More than 12,000 clients of every size worldwide depend on Brightly's complete suite of intuitive software – including CMMS, EAM, Strategic Asset Management, IoT Remote Monitoring, Sustainability and Community Engagement. Paired with award-winning training, support and consulting services, Brightly helps light the way to a bright future with smarter assets and sustainable communities. For more information, visit **brightlysoftware.com**

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