

# **Proposal: CJP's Jewish Day School Affordability Plan**

## **I. JEWISH DAY SCHOOL EDUCATION: ACCESSIBLE TO EVERY CHILD**

It has long been evident that Jewish day school education is essential to a vibrant and viable Jewish future. Jewish day school graduates have a strong positive sense of Jewish identity and responsibility; they are Jewishly informed and literate; and given their Jewish knowledge and commitments, they are likely to become our strongest Jewish community leaders, volunteers, professionals, scholars and philanthropists. Greater Boston is blessed to be a community that offers a diverse array of excellent Jewish day schools: there are 14 schools, in which 2,752 students are currently enrolled, providing state-of-the-art education and a broad spectrum of instructional styles and ideological choices. In fact, Greater Boston's day school enrollment is growing: since 1997 the K-8 population has increased by 9.5% and the number of all day school students, including high school students, shows a 25% increase.

When parents choose a Jewish day school education for their children, they know they are making significant financial sacrifices and an enormous long-term financial commitment. While day school parents are likely making a choice they believe to be best for their children, the family is also making a substantial investment in the Jewish community and the Jewish people.

### **High Cost: A Barrier to Enrollment**

There are many children in Greater Boston who could be attending Jewish day schools but are not currently enrolled. For many families, the high cost of Jewish day school is a barrier to enrollment and a contributor to attrition. In the Boston Jewish Day School Affordability Community-Wide Needs Assessment,<sup>1</sup> 23% of day school parents reported that their children may not be able to continue attending their current schools because of financial reasons. We know that affording Jewish day school is a particular struggle for:

- Families whose income level is in the “middle tier”
- Families with more than one child
- Families with children who have special learning needs

In the 2007-2008 school year, the Greater Boston area's Jewish day schools granted approximately \$10.3 million dollars in financial aid to the families of more than 1,200 students. Depending on the school, 25% to 80% of students are receiving some financial aid from their

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<sup>1</sup> The Needs Assessment was prepared by CJP's Affordability Task Force in 2007 and synthesized 4 different data sources: a survey of approximately 1,000 day school families and 1,000 non-day school families; individual school leadership team focus groups; school reported quantitative data; and a community-wide forum.

schools. However, many families, especially those in the “middle tier” who do not think of themselves as “needy,” experience psychological, practical and logistical barriers to applying for financial aid.

### **A Shared Obligation**

CJP’s conviction is that every Jewish child should have full access to a Jewish day school education. CJP believes that the formal Jewish education of the next generation of community members and leaders is a responsibility that extends beyond individual families. It is a sacred obligation shared by Jewish educational institutions, communal lay leaders and donors and the community as a whole. With the knowledge of our community needs and guidance of key committee input, CJP proposes the Jewish Day School Affordability Plan, which has been designed to:

- Increase overall Jewish day school enrollment in the most cost-efficient way
- Decrease Jewish day school student attrition due to financial reasons
- Share with families the cost of a commitment to intensive, daylong Jewish education
- Strengthen Jewish day schools in their individual quests for excellence

The issue of day school affordability affects communities nationwide, many of whom have established strategies to meet this challenge. This plan was developed after careful study of a number of successful models in other communities and has been designed to match the needs of Greater Boston’s particular institutional structures and demographic realities.

### **An Integrated Approach**

CJP’s Jewish Day School Affordability Plan is one component of a comprehensive strategy for strengthening Greater Boston’s Jewish day schools, which includes the following integrated objectives:

1. **Excellence.** Ensure that Jewish day schools have what they need to succeed in their own quest for academic excellence and in creating powerful communities of teaching and learning in a Jewish context, by assisting and supporting schools in building their own internal capacity (operational and educational).
2. **Access.** Enable students with special needs to attain a formal, daylong Jewish education in our Jewish day school system by increasing the *number* of special needs students our schools can serve; increasing the *range* of special needs students our school can support; and increasing the *quality* of special needs services our Jewish day school students receive
3. **Affordability.** Financially assist families to sustain formal, daylong Jewish education in attending and graduating from a Jewish day school.
4. **Advocacy.** Assist schools in their efforts to recruit, enroll, and retain students by engaging in aggressive community-wide Jewish day school marketing and PR, assisting schools in building their own capacity to recruit, enroll, and retain students, and implementing an affordability plan aimed at increasing enrollment and retention.

## II. TARGET POPULATIONS AND RATIONALE

### 1. Day School Education: A Birthright for all Children

CJP believes that families should not be required to make inordinate financial sacrifices when they make the choice to send their children to Jewish day school. The CJP Plan envisions much more than simple “affordability.” Its aim is to transform the communal conception of Jewish day school education. Every family should feel that it has communal support for the responsibility of educating its children, who will be the next generation of Jewish community members and leaders.

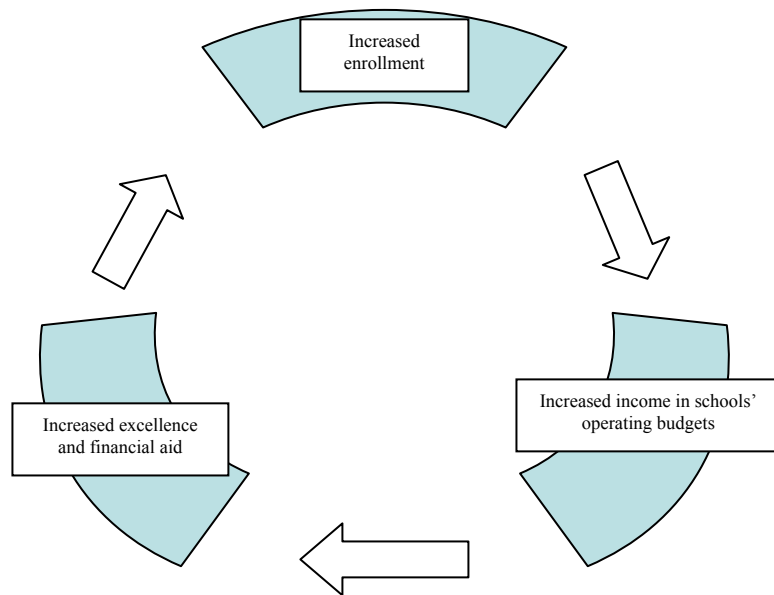
### 2. The “Middle Tier”

Middle tier families, defined by their income level, are uniformly underserved by the current financial aid system. They typically do not consider themselves “financial aid families,” and may push themselves to distressing financial situations. They may borrow from family members, neglect saving for college or retirement or opt out of day school altogether. It is worth noting that the stresses on middle tier families are becoming widely recognized. Jewish communities nationwide have begun to make day school affordability a priority, and many private universities – including Harvard, Yale, Stanford and Brown – have recognized the needs of this population and have revamped their financial aid programs to provide significantly more tuition assistance to this group.

### 3. Rationale

Infusing communal dollars to the middle tier population is the most efficient and significant positive change for the entire system of schools and the community as a whole:

- The plan’s core is a \$4,000 voucher toward day school tuition. The voucher motivates a middle tier income family to enroll its child, and will bring the school not only that \$4,000, but the remaining tuition dollars which are directly paid by parents. Since every K-8 day school in the Greater Boston area is currently underutilized (i.e., has empty seats waiting to be filled), each school could absorb and educate new students at a cost far below the dollar amount of the tuition.
- Through this program, the \$4,000 community expenditure puts the full tuition amount (for a child who might not otherwise attend day school) into the school’s operating budget. This infusion results in a net increase of dollars available for grants of aid to lower income families and increased spending on educational excellence. In this light, middle third families are not the priority; rather, they are a “delivery mechanism” for new dollars into the entire system. The diagram below illustrates this cycle:



- This financial incentive to families in the middle tier means more robust enrollment and decreased attrition across the income spectrum due to financial reasons. In addition, the resulting increase in enrollment should result in lower attrition – particularly in the older grades – where social concerns arise because of small class size.
- It is likely that a number of the young families who enroll early in their children's day school tenure due to the initial incentive of day school vouchers will eventually become independent full payers and donors to the school.
- Supporting this plan through endowment funds will provide stability for this program that extends well beyond the immediate needs of families today. It is an enduring response to one of the most significant challenges facing the Jewish community today and reflects a permanent positive change to the day school landscape.

### III. KEY COMPONENTS OF THE 3-PART PLAN

To create a communal culture committed to Jewish day school education, we have designed a plan with three major elements. The first is a voucher toward kindergarten tuition available to all, intended to enroll as many children as possible at the kindergarten level, with the expectation that these children and their siblings remain in the day school system in subsequent years. Second, to maintain ongoing enrollment, tuition vouchers would continue to be offered to families whose income places them in the middle tier. And finally, to ensure the long-term strength and growth of our network of schools, we will invest directly in the schools to support their operations, their financial aid systems and their long-range planning – both programmatic and financial.

1. **Kindergarten Incentive-to-Enroll Voucher:** In order to attract “entry level” families to consider Jewish day schools, the plan offers a \$4,000 voucher for *all* first time kindergarten enrollee families, with no financial eligibility requirements.

#### Eligibility Criteria

- This grant would be available for a family’s first-time entrant to Jewish day school.
- The grant would cover \$4,000 or up to ¼ of annual tuition.
- A family may accept additional financial aid from schools.
- Only one grant per family (no grants for subsequent children).

#### Innovative Features

- Marketing and creation of “buzz” will play a key role, such as an ad featuring a \$4,000 coupon in the Sunday Globe for any Jewish day school.
- The motivational impact of this Kindergarten Incentive-to-Enroll Voucher will be further reinforced when coupled with the availability of the K-8 Voucher in future years.
- The Kindergarten Voucher program will be in place for the first five years of the plan only. During these five years, we anticipate creating a community-wide awareness of the voucher’s availability, which will then lead to a self-perpetuating communal consciousness of day school as a norm for a widened circle of Jewish families. Our focus will then shift to providing the voucher solely to the middle tier families for whom financial need is an issue.

2. **K-8 Tuition Voucher:** In order to maintain students in Jewish day schools, the plan offers vouchers up to \$4,000 per student, per year.

#### Eligibility Criteria

- The K-8 Voucher is targeted to families within the middle tier of income with maximum income levels of approximately \$180,000 for families with one child attending K-8 Jewish day school; \$215,000 for families with 2 children attending

Jewish day school; and \$250,000 for families with 3 children attending Jewish day school. (A financial profile of a typical middle tier family appears in **Appendix A**).

- Special attention will be paid to families whose children attend a Jewish high school, as well as families who pay Gateways<sup>2</sup> tuitions, recognizing (and partly sharing) the added cost of educating children with special learning needs. In the calculation of a family's eligibility for a voucher, an "Effective Adjusted Gross Income" will be calculated by subtracting high school and Gateways tuition paid, as well as certain other "Jewish" expenses. In addition, families who have more than 3 children attending K-8 Jewish day schools will be permitted to subtract from their AGI the tuitions paid beyond the 3<sup>rd</sup> child.
- Each grant would cover \$4,000 or up to ¼ of annual tuition.
- Multiple vouchers would be available to families, with a maximum grant per family per year of \$12,000.
- Families receiving this voucher may not accept any additional financial aid from schools.

#### Innovative Features

- **Privacy:** Eligibility will be determined by a private on-line calculator (similar to a mortgage calculator) that a family can access anonymously. This addresses the concern families may feel about the stigma of applying for financial aid and allows families to calculate their eligibility at any time.
- **User-friendliness:** The on-line calculator will be extremely simple to use. The family needs only enter their income information (AGI from their Form 1040 tax form) and the number of children enrolled in K-8 grades at a Jewish day school. The calculator will also prompt for other considerations, including Jewish high school tuitions, certain special education costs, costs of day school tuition for children beyond the 3 eligible for vouchers, and other "Jewish" expenses. The on-line calculator will direct eligible families to a Voucher Application link. Families will be required to complete the Application, sign a truth and commitment statement, and send the forms along with basic verifying documentation to a 3<sup>rd</sup> party.
- **Nondiscriminatory eligibility:** Any eligible family under the maximum AGI can opt for the voucher. Families with means at the lowest end of the spectrum will receive more (sometimes significantly more) financial aid through their own school and will likely prefer that assistance to that offered by the voucher. However, the plan is open and accessible to all. The information provided by the on-line calculator will make it clear to lower income families that they would likely be entitled to greater aid through the school, thus further reducing psychological barriers to applying for financial aid.
- **Confidentiality:** Eligible families will receive the voucher(s) electronically from the 3<sup>rd</sup> party. Schools (or the 3<sup>rd</sup> party) will verify family eligibility and maintain a

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<sup>2</sup> Gateways: Access to Jewish Education is a non-profit organization whose mission is to help students with special education needs attend and thrive in Jewish day schools by providing on-site services that go beyond what the schools offer. Nine Jewish day schools in the Greater Boston area participate in Gateways programs and services.

confidential list of names and control numbers. CJP will be billed by each school for the number of eligible vouchers submitted, without releasing the names of the families receiving voucher support. CJP will be able to track and analyze information, but not the names of families receiving support.

- Trickle-Down Effect: Schools' financial assistance dollars that would have gone to the families receiving CJP vouchers are now available to provide additional assistance to more needy families. Essentially, day schools will be required to maintain approximately the same overall financial aid budgets as in previous years, only now redistributed to provide more generous financial assistance to those in the lower financial bracket.

3. **Capacity-Building:** Essential to the success of the plan is support for the schools themselves. CJP will work closely with each day school to enhance both operational and organizational capacity-building.

- Through the plan, schools will receive assistance in financial planning, including the development of effective financial aid programs. Attention will also be paid to ensuring the long-term fiscal health of the schools, with a focus on fundraising and endowment building strategies.
- The plan also includes subsidized financial planning assistance for individual day school families.

#### IV. MARKETING

CJP will conduct a significant public relations and marketing campaign around the Jewish Day School Affordability Plan, which will include the following elements:

- A targeted educational campaign about the value and excellence of a Jewish day school education
- Information about the cost of a Jewish day school education and the availability of school-based financial aid
- Elimination of any stigma attached to applying for aid
- Specific information about the Jewish Day School Affordability Plan
- The availability of subsidized individualized family financial planning advice

#### V. IMPACT BEYOND GRADES K-8

High Schools: While the vouchers in the Jewish Day School Affordability Plan are geared for students in grades K-8, we anticipate that the plan will have a significant effect on our high schools as well:

- Our community's high schools (Gann, Maimonides, Bais Yaakov, Mesivta) will likely enjoy increased enrollment, since the number of graduating students from the 8th grades of Jewish day schools will grow significantly, thereby substantially increasing the pool of possible high school applicants.
- Families of high school students will benefit, because the on-line calculator of the K-8 voucher program will take into account a family's payment of tuition at Jewish high schools. In the calculation of a family's eligibility, an "Effective AGI" is calculated by subtracting high school tuitions paid.

Strengthening High Schools: As day school education becomes available and accessible to a widening circle of Greater Boston children through the CJP Jewish Day School Affordability Plan, we anticipate a climate of increasing support for our high schools. Among the ways this support would be manifested may include:

- Expansion of the Day School Affordability Plan to the high school level (i.e., a 9th grade incentive-to-enroll grant and day school tuition vouchers for grades 9-12).
- An increase of the high school per capita annual CJP allocation – currently approximately \$418,572 (\$695 per student) – by 30%, infusing additional community dollars into high school operating budgets.

## **VI. A NEW ERA FOR JEWISH EDUCATION**

Ours is an era that has come to recognize the centrality of Jewish day school education in creating new generations of informed and active Jews, knowledgeable about Jewish texts and traditions, and committed to sustaining Jewish communities and their institutions.

We can be proud of the revolutionary strides we have made during the past decade in ensuring both the quality of the education we provide our children through the Peerless Excellence program, including access to Jewish education through school-based special education support and Gateways' services for students with special learning needs.

Our shared communal consciousness now recognizes the importance of removing barriers that stand between any Jewish child and a day school education. The CJP Jewish Day School Affordability Plan is the next step in this process. Once it is put into place, the impact on our community will be immeasurable: on children and their families, on schools, synagogues, and the quality of our Jewish engagement with our community and the world.

## APPENDIX A

### **A Typical "Middle Tier" Family of 4 Profile (Based on Actual Data)**

Two children - one in day care, one in public school.

Both husband and wife are full-time wage earners.

Own 1 car outright (no loan) and one car loan for 5 yrs; \$15,000 loan.

Annual Savings (other than retirement) = zero

No college loans (this is not typical -- often another \$5-7K in expenses per year in loan repayment).

Living in a 3-bedroom, 2-bath, 1,900 sf house in Newton worth approximately \$700K.

According to financial planner, retirement savings are only 50% of what they should be.

Family has no college savings fund for children.

<b>Annual Income</b>	
Wages, salary, tips	\$185,834
Other income	\$0
<b>Total Income</b>	<b>\$185,834</b>

<b>Fixed Annual Expenses</b>	
Mortgage payment or rent	\$54,000
2nd home mortgage (home equity)	\$0
Automobile note	\$3,600
Personal loans	\$0
Credit cards	\$0
Life insurance	\$3,348
Disability insurance	\$0
Medical insurance	\$5,299
Long-term care insurance	\$0
Homeowner's insurance	\$1,200
Automobile insurance	\$4,200
Umbrella liability insurance	\$600
Federal income taxes	\$25,000
State income taxes	\$7,500
FICA	\$4,000
Real estate taxes	\$4,800
Savings (regularly)	\$0
Investments (regularly)	\$0
Retirement Plan Contribution	\$15,500
<b>Total Fixed Expenses</b>	<b>\$129,047</b>

<b>Variable Annual Expenses</b>	
Gas & electricity	\$2,820
Telephone	\$1,440
Water	\$600
Cable TV	\$2,040
Home repairs & maintenance	\$4,200
Home improvement	\$0
Food	\$4,200
Clothing	\$2,400
Child care	\$12,000
Summer care for school age children	\$3,000
Personal care	\$1,200
Automobile gas & oil	\$1,920
Automobile repairs, etc.	\$1,200
Other transportation	\$576
Unreimbursed medical/dental expenses	\$600
Recreation/travel	\$0
Entertainment/dining	\$0
Hobbies	\$0
Club/association dues	\$0
Education expenses	\$0
Gifts / Donations	\$0
Miscellaneous	\$3,600
<b>Total Variable Expenses</b>	<b>\$41,796</b>
<b>Total Expenses</b>	<b>\$170,843</b>

<b>Total Discretionary Income</b>	<b>\$14,991</b>
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Does not include ANY expenses for: education, synagogue dues, hobbies, entertainment/dining, recreation/travel, gifts/donations, special education costs.