

Day School Sustainability: Ours to Achieve

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by Yossi Prager

I have email alerts that notify me when anyone blogs about “day school tuition” or “yeshiva tuition.” Even Orthodox posters express frustration over high tuitions or, more poignantly, resignation that they will be unable to enroll or maintain their children in a day school. Plainly put, our most effective form of Jewish education is financially unsustainable. Will day schools ultimately disappear, at least outside of the charedi community?

Absent some coordinated activity, they might. 2009/10 brought a [3% decline in day school enrollments](#) nationally (outside of the charedi community, where demographic growth fuels huge enrollment increases). The decline was far lower than had been feared given the magnitude of the economic recession. However, with the economic recovery coming slowly, there are rising concerns about the 2010/11 school year. Close to a dozen schools nationally will not be opening next year. The main fear is that the enrollment declines and school closings reach a tipping point at which the broad community of day school parents and potential parents loses faith in the system.

Clearly, day school advocates must continue to promote day schools as a [value proposition](#) rather than as an economic proposition. [Day school graduates are disproportionately leaders](#) within the Jewish community, within established Jewish organizations as well as in the start-up sector that has received so much attention of late. Day school graduates form an energizing nucleus for Jewish life. But marketing alone will not address the affordability crisis. What can be done?

Thomas Edison described genius as “1% inspiration and 99% perspiration.” I am skeptical of hopes that new ideas will rescue the day school system (though I would be delighted to be proven wrong and eager to help new ideas be tested). Instead, what’s needed is persistent, tenacious hard work in three directions: smarter financial planning and fundraising, endowment building and advocacy for government funding. The combination of these elements can secure the future of day school education.

In my night life, I serve as an executive board member of a day school in Bergen County, NJ. We participated in a [Yeshiva University program](#) in which a group of local day schools submitted detailed financial information and received back a confidential benchmarking analysis that highlighted areas in which each school departed from the community average. In some cases, that departure was intentional, while in other cases the report demonstrated cost saving efficiencies or revenue generating opportunities that might not otherwise have received attention. It is too early to know whether the

benchmarking process will yield concrete savings or new fundraising, but a 5% difference on a \$10 million budget produces a budget shift of \$500,000. Day school boards need to be out of the business of managing education and devote their attention smartly and with foresight to planning the financial futures of their schools. [The Partnership for Excellence in Jewish Education \(PEJE\)](#) has made effective governance a centerpiece of its efforts going forward.

Relatively few day schools have endowments, and a few efforts to start or grow endowments at day schools in MetroWest, NJ, San Diego and other cities over the past decade have yielded some spectacular results. Key to the effort is seeking both cash gifts and bequests/life insurance policies (which can yield larger gifts than some donors will make in their lifetimes). Building an endowment is a long-term proposition and only generates annual distributions equal to 5% of the total corpus (\$250,000 on a \$5 million endowment), so endowments are not a short-term solution. They do, however, facilitate the long-term stability of many kinds of non-profit institutions and help shape a climate of opinion that day schools are indeed sustainable.

The capacity of private Jewish philanthropy pales in comparison to what governments can do. The headlines today focus on government deficits, budget cuts and increased taxes, suggesting that it is an inopportune time to lobby for increased support for state funding of nonpublic schools. However, just last week Governor Charlie Crist signed what the [Miami Herald](#) described as “the most sweeping expansion of private-school vouchers in Florida history,” funded via corporate tax credits for contributions to scholarship funds for low-income families. Furthermore, most people feel that the economy has hit bottom, and rosier times lie (a few years) ahead, making now the ideal time to plan grass roots organizing.

There is a persistent myth that the Constitution prohibits state or federal funding of parochial schools. That is true only to a point. Governments may not fund religious studies, and Supreme Court precedent prohibits reimbursement of the salaries of even general studies teachers at parochial schools. (Some question whether this precedent would stand if tested today.) However, the tax credit programs just mentioned pass constitutional muster. Moreover, clearly within constitutional bounds different states today provide support for textbooks, computer hardware and software, teacher time for administering state mandated tests and meeting other requirements, nurses and various kinds of special education programs.

In the case of remedial education, the Supreme Court has blessed the provision of public school teachers to provide remediation within parochial school buildings. In some locales, school districts send in teachers provided by a third party (for profit or non-profit) that is under contract with the state. This principle having been established, the same should be possible for regular, non-remedial education.

Even vouchers, which allow parents to apply government funds to private school tuition, have been approved by the United States Supreme Court. Such programs exist in both Milwaukee and Ohio. For a time, it was thought that vouchers would be the answer to

day school funding, especially if over time vouchers became available without a means test. Unfortunately, the provisions of some state constitutions remain a barrier and, in any case, at this stage vouchers are a political non-starter.

The larger point is that it is politics rather than constitutional doctrine that stands in the way of additional government funding for general studies at Jewish day schools. Historically, Jews have not used their political capital to seek funding on behalf of parochial schools; to the contrary, historically most established Jewish organizations have opposed and litigated against support for such aid. As a result, while organizations such as Agudath Israel have combined forces with Catholic and other groups to argue for state aid, we have never thrown our collective energies behind the cause of government aid for nonpublic schools in the way that we have on behalf of Soviet Jewry or Israel. Even most day school parents are passive participants in the political process.

The question, then, is not whether additional government aid is constitutional or achievable but whether we have the will to organize one another in sufficient numbers to make our voices heard by the politicians we elect. In this Web 2.0 world that elected President Obama and gives rise to blogs such as *ejewishphilanthropy*, the means for grass roots organization are more available than ever, and there are large numbers of young Jews with the facility to exploit the opportunity. Government funding for day schools, of great concern to Jews in their 20s and 30s who someday hope to send children to day school, could be a cause for which the young generation leads their elders.

So, notwithstanding the current challenges, I look ahead to the future of day school education with optimism. The system won't fix itself, but the steps needed to set the schools on better financial footing and make day school education affordable are achievable. The only question is whether we act before it is too late.

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