

Challenges and Opportunities on the Jewish Day School Landscape



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Case Study: **Storm Watching in Orangetown** Alex Pomson, Rosov Consulting

Mike Davis looked out of the window at the wind picking up. A hundred miles west, an evacuation order was in place. In Orangetown the local authorities had advised people to stay put. They were going to get very wet, but their lives and property were not in danger.

From Mike's perspective, the storm outside was a welcome distraction from the tempest slowly gaining force in the Orangetown Jewish community — or at least among those associated with or dependent on the Jewish Federation. As CEO of the Federation for the past two years, he was squarely in the storm's proverbial eye.

At the Y just a few days earlier, when Mike had been wearing little more than a wet towel, Les Schwartz, a hedge fund manager and one of the campaign's biggest donors, had warned him as he was coming out of the shower: "Mike, you're a Joshua alumnus, don't even thinking of harming it. Hazak Ve'ematz! The motto still means something to some of us."

With most of his colleagues having gone home before the storm hit, and with his wife and kids on vacation out of state, the raging winds outside gave Mike a chance to take quiet stock of where things stood.

As Mike saw it, his predecessors had consistently balked at making a difficult decision. They'd kicked the can down the road. And the longer they had delayed, the more difficult the situation became.

Almost fifty years previously, a handful of Conservative and Reform rabbis had come together to create the Joshua Hebrew Academy, a community day school, with high educational standards in both general and Jewish studies and an inclusive ethos. Although ahead of the curve at the time, enrollment touched almost 400 students within 20 years — about 10% of the non-Orthodox community, from which the great majority of students came. Mike's own family signed up in that early period, something that had appalled his grandparents, Reform Jews of the old school, allergic to parochial education. It was a remarkable time. For about a decade, JHA enrollment exceeded that of the community's Orthodox elementary school.

For the Federation, JHA has been the jewel in the community's crown. Its graduates had gone on to excellent colleges, fulfilling careers as professionals in the for-profit and non-profit sectors, raised involved Jewish families, and become the community's leaders. When, just a few years after opening, the school was in danger of outgrowing the classrooms at one of the local congregations, there was full Federation support for moving the school to a community campus where its Orthodox counterpart, Yavneh, had resided for many years. Like Yavneh, JHA would be given a long-term lease with low rent and a cap on future increases. Federation led a capital campaign to adapt the building to accommodate JHA. Joshua occupied about half the space. Yavneh shared the remaining space with Jewish Jump Start (JJS), an independent Jewish community pre-school. Federation also provided annual revenue to the two day schools. There was little opposition to a funding plan by which Joshua received close to 10% of Federation grants for tuition subsidies, and 3% for the Orthodox day school. The Joshua families, unless subsidized in this way, would have signed up to one of the superb public schools in Orangetown's suburbs. The money was seen as seeding the next generation of leadership in the community.

Unfortunately, what was eminently reasonable decades earlier, and of real strategic value to the community, now seemed decidedly complicated. Mike pondered how JHA's heyday coincided with his graduation, and his star turn as valedictorian in a hall so full, people had to stand. An accident of history, he liked to tell his wife, not coincidentally another JHA alum.

Thirty years on, the Orthodox day school had grown steadily and once more was home to more students than JHA. Federation's funding had, however, remained unchanged — even while JHA enrollment was barely half of what it was at the school's peak. Yavneh still chiefly attracted children whose families identified as Orthodox, the only segment of the community that had grown in recent years; but, thanks to a more outreach-style orientation, Yavneh's incoming classes were increasingly diverse, with children from interfaith families and children of color, too. Some of those families might once have gone to JHA.

Mike knew that Orangetown's challenges were shared by many communities. Across the nation there were steadily fewer non-Orthodox families with school-age children, and even fewer who were willing to pay \$15,000 or more a year for private school education. The market for non-Orthodox day school education was shrinking. As his sociology professor at Columbia loved to say, demography is destiny.

Mike preferred to think of demography as a hand of cards you were dealt. The best players could win even with poor cards. And in those terms, the joker in Orangetown's pack was the school-voucher program the State initiated five years ago, joining just 13 others across the nation. Basically, the state provided participating schools with per-student subsidies at the level of public school funding (currently \$8,000). The schools couldn't charge parents a cent, and they couldn't turn away anyone on the basis of religion. This had worked out pretty well

for Yavneh, which had opted into the program the year it launched. If non-Jewish students did enroll, then after a few days in school, they figured out that a diet of Torah and Tefilla was not to their tastes. The public funding was also a massive financial relief to Federation, although the school continued to be cash-strapped, tied as they were to the State's funding requirements.

JHA had not opted into the program. Many of its oldest families were ideologically opposed to taking money from the public system. Others were uncomfortable about the prospects of admitting non-Jewish students who would probably not be put off by the school's more liberal Jewish Studies program. Mike thought this an honorable decision, even if it exacerbated the school's enrollment challenges. It contributed to a real inequity in community funding with the school needing so much support from Federation to cover its costs, and it destabilized the community's organizational relationships. He knew that people in the Orthodox community felt they were being treated as second-class citizens compared to the elites at Joshua. Rabbi Menachem Shapiro, Head of Yavneh, was known to feel that the Federation was punishing them for their success.

It wasn't just the funding plan that was stuck in the past. Although Yavneh had grown and Joshua had shrunk, both schools still occupied the same space as 20 years previously. Now, Yavneh was bursting at the seams, and some of Joshua's classrooms were empty. That hardly looked even-handed. Again, people had balked at making change. They argued that the schools' fortunes could change just as dramatically once more.

To complicate things further, JHA had suffered from a long-standing lack of natural feeders. There was an archaic agreement in the community, going back more than 50 years, that none of the synagogues would run their own preschools. They'd leave the field to community providers such as the JCC and the community's Jewish Jump Start program, which for many years had been managed and led by Orthodox Jewish educators. When the preschool agreement was originally set, it had been a visionary idea for preventing the duplication of community resources. Today, things looked different; if Reform and Conservative congregations started preschool programs, they'd be much more effective feeders to JHA. But, making this change would be another swipe at the Orthodox community, even though it was widely presumed that the JJS people discouraged families from going on to JHA because of a long-standing dispute over having to share playground space with them.

Mike tried hard to set his own allegiances aside, although of course it was known and celebrated that he was a Joshua alumnus. Loyalties apart, he genuinely believed that the school's value to the whole community exceeded the benefits it provided to any individual family. And, with enrollment to supplementary education having fallen through the floor over the last decade, the school promised a quality experience to liberal Jewish families who might not otherwise select any form of formal Jewish education. As more and more families chose no Jewish education, the community needed an especially strong core to maintain a vibrant Jewish community.

Paradoxically, that's why Mike was attracted to the idea of encouraging JHA to opt into the voucher program; not to relieve Federation's financial obligations to the school — that would be entirely the wrong reason to go down this route — but because he thought the school would benefit in multiple ways from the admission of a small number of non-Jewish students. Although some of the traditionalists might flee to Yavneh, more Jewish families, who were attracted by diversity in the public system, would look again at the school. Student numbers were bound to increase, the finances would improve, and — as on so many occasions in the past — Orangetown would be ahead of the curve in developing new models of Jewish education.

The great uncertainty was whether big punters like Les Schwartz and his friends would pull their financial support, as Les had threatened so inelegantly the other day. Avoiding a Category 1 storm, Federation might find itself faced by a full-force Category 5.

Questions for Discussion

1. Mike presents the opportunity as being about vouchers and state funding. Diagnose the challenge. What are the different pieces of the situation that is facing Federation?
2. Is the voucher opportunity the only opportunity facing the school and Federation? How else could Federation approach this situation? (Consider: recruitment/feeders, school quality/excellence, mergers, and influencing the market)
3. The community day school is the school that is truly threatened. Discuss the implications of the loss of the community school. What could or should be the day school landscape in this community?
4. Consider the opportunities for mergers and acquisitions and shifts in ideology. Are these possible? Advantageous?
5. Discuss the potential presence of non-Jewish students in the schools. What opportunities does this enrollment bring? What challenges?
6. How is this similar to or different from what's happening in your community?