

ALTERNATIVE TUITION MODELS IN FOCUS

EVOLUTION OF A TUITION REDUCTION PROGRAM

SAN DIEGO JEWISH ACADEMY

February 23, 2021





OBJECTIVES

- Share background and information on SDJA's tuition reduction programs, as they are evolving
- Overview our long-range financial sustainability planning, inclusive of tuition reduction programs



ABOUT SDJA

- Founded 1979
- Pluralistic Jewish Day School
- Early Childhood Center ~100 students
- K-12 ~535 Students
- 190 Employees (150 full-time equivalent)
- 56-Acre Jaffe Campus Opened in 2000



6.5 SDJA FACILITIES



0' 100' 300'











SDJA FINANCIAL HIGHLIGHTS

- ~\$15M Annual Operating Budget
- Tuition & Fees are ~80% of Total Revenue
- Balanced Budgets, No Deficit Spending
- No Debt Service (2016 Debt Elimination Campaign)
- \$1.7M Endowment
- \$1.3M Reserves



K-12 GROSS AND NET TUITION REVENUE

(In 000's)

GROSS TUITION & FEES		15,052	100%
Tuition Remission:			
Tuition Assistance <i>(Need Based)</i>		1,715	11%
Scholarships / Strategic Aid		415	3%
<i>Tuition Credits:</i>			
Open Door Credit <i>(4 Grades)</i>	1,978		
Early Enrollment Credit	371		
Employee Tuition Credit	345		
Multi-Child Credit	162		
Rabbinic/Jewish Professional Credit	150	3,006	20%
TOTAL TUITION REMISSION		5,136	34%
NET TUITION REVENUE		9,916	66%



LPA



SAN DIEGO

Jewish Academy Campus Master Plan

Challenge Minds. Inspire Purpose. Explore Possibilities.





OUR FAMILY IS ONE CAMPAIGN

- Pre-Campaign Assessment (“We Don’t Need Buildings”)
- \$15M Spend Down Campaign (2018-19 \Rightarrow 2022-23)
- Rationale: Five-Year Window to Position Next Phase
- Diversified Portfolio: Affordability + World Class Academics
- An “Actively Management Investment Fund”
- Measuring ROI, including World-Class School Initiative



OFO CAMPAIGN FUND ALLOCATIONS

<i>(In 000's)</i>		
AREAS OF FOCUS	Category Total	% of Total
1. Grow Enrollment / Affordability Initiatives	6,314	41%
2. World Class Academics	6,165	40%
A. Improve Teacher Quality	2,447	16%
B. Strengthen Key Academic Programs	2,893	19%
C. Develop a Comprehensive Learning Academy	750	5%
D. Defining and Measuring "World Class"	75	0%
3. Annual Campaign Support	2,000	13%
Campaign Expenses	536	3%
TOTAL EXPENDITURES	14,866	97%
Reserve for Uncollectible Pledges	515	3%
TOTAL RESOURCE ALLOCATION	15,381	100%



IMPACT OF OFO CAMPAIGN

- Addressing Critical Deficiencies (Teacher Pay, Workloads)
- Case Statement Led to Marketing/Messaging Platform
- Key Program Development (Math, Judaic, Innovation)
- Learning Center Supports (A Non-Selective “Academy”)
- World Class Initiative – Defining Who We Want to Be
- 20% Enrollment Increase, 10% NTR Increase First 2 Years
- Fueling a Virtuous Cycle



OPEN DOOR TUITION REDUCTION PROGRAM

- Annual Pilots to Measure Price Elasticity on Enrollment
- Based on Extensive Market Research and Survey Work
- Tuition Credits for K and 9th, Guaranteed for Four Years
- Contributed Savings Solicitations (Highly Variable)
- A Donor Funds Lost Revenue Based on Calculation
- Financial Modeling => Safe Harbors for Sustainability
- Goal: 80%, \$50K; or 60%, \$100K; Averaging 40%, \$50K



WHERE WE ARE TODAY

- COVID-19 Impacts on Enrollment Funnel / Projections
- From 536 K-12 Students This Year, to 650–700 Next?
- Space and Resource Planning, COVID and Non-COVID
- Importance of Defining **Optimal** K-12 Enrollment
- Decisions on Important Capital Projects
- Emphasizing the Student Experience to Promote Retention



PLANNING FOR FINANCIAL SUSTAINABILITY

- Measuring and Solving for the NTR Gap (Iterative)
- A Multi-Year, Coordinated Fund Development Strategy
- Tuition Revenue and Evolution of Open Door
- Development of Non-Tuition Revenue:
 - Bridge Campaign(s), “making it across the desert”
 - Innovative, Diversified Endowment Fund Strategy
 - Preeminent Auxiliary Program, JCC Partnership
 - Real Estate Development (Campus Master Plan)
 - *High Mission Aligned, High Net Income*

A cartoon illustration of a man with spiky orange hair and glasses, looking upwards with a slight smile. He is wearing a red shirt. The background is a blue sky with diagonal lines.

**ACTUAL PLAN AND
DIRECTION**

**OR JUST ANOTHER VISIT FROM THE
GOOD IDEA FAIRY**



QUESTIONS AND DISCUSSION