

# BEYOND VOUCHERS: OU Advocacy Makes Tuition More Affordable

In 2010, the Silver Academy nearly closed its doors. Today, it's financially thriving



Students at Silver Academy in Harrisburg, Pennsylvania.

**B**en, a thirty-one-year-old single father of three, makes a decent living supplying kosher food to supermarkets in Pennsylvania, but it's nowhere near enough to afford the tuition needed to send his children to the local day school. "I'm Modern Orthodox, and a day school education for my kids is extremely important. If I had to pay full tuition, I would have to find another way to give my children a Jewish education," he says.

The day school his children attend is the Silver Academy in Harrisburg, Pennsylvania, a school founded on Orthodox principles in 1944 that today serves the educational needs of the greater Jewish community. In 2010, the school nearly closed its doors because Ben (name has been changed to protect his privacy) wasn't the only parent challenged by staggering tuition bills. The combination of the recession, a decrease in enrollment (the school had only fifty-four students) and an increase in financial aid requests created a daunting financial crisis for the school—it was down to its last \$50,000 from a \$1 million endowment fund.

But members of the Harrisburg Jewish community were not about to let the only Jewish day school go under. They hired Stuart Gasner as director of development, who worked feverishly to find creative ways to keep the doors open—and reduce tuition. How the Silver Academy was able to cut its tuition from \$21,700 annually to \$12,555 in-

volves skilled fundraising, effective use of government funding and cooperative interplay between the school and the Orthodox Union's Institute for Public Affairs (IPA).

"Pennsylvania's tax credit scholarship programs are a lifeline for Jewish parents struggling to afford the best schools for their children, and for the Jewish schools struggling to accept them," says Maury Litwack, director of state political affairs and outreach for the OU's IPA.

"We are proud that our advocacy efforts played a role in enabling the Silver Academy to continue to educate Jewish children who would otherwise have to forgo a Jewish education."

In addition to traditional fundraising, the school took advantage of the Pennsylvania Educational Improvement Tax Credit (EITC) Program, where businesses can receive a tax credit for donating up to 90 percent of their state taxes (capped at \$400,000/annum) to a general scholarship fund that is used for tuition assistance in private schools. The companies can also specify to which school(s) they want their EITC contribution disbursed. Which means that Gasner, and any member of the community, can steward relationships with local companies so their EITC contributions will be earmarked directly to the Silver Academy. The companies pay the money directly to the Jewish Federation of Greater Harrisburg, which in turn disburses the scholarship fund to the Silver Academy. In other Pennsylvania cities, where there is more than one Jewish school, the monies are disbursed to as many schools as corporations earmark.

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“This program is a win-win,” explains Gasner. “It’s fiscally responsible because companies get a 90 percent tax credit on their state taxes, they can deduct the credit from their federal taxes, it’s great PR and the school gets scholarship money it otherwise wouldn’t have.”

“As part of our growing investment in the cause of greater government funding for Jewish education, we hired a full-time staff member in Pennsylvania to further advance this cause,” says Litwack. “We’ve been delighted at the result which has led to greater EITC funding, more active participation of lay leaders, coordination amongst the Jewish day schools and an increased recognition by state politicians that our community is a critical voting bloc which must be regarded.”

In 2010, the Silver Academy received only \$210,000 in EITC money. Because more families are now eligible for scholarship money due to the lobbying efforts of the IPA, this year the school has received \$427,500 so far. Under EITC guidelines, scholarship money can be given to families with a combined income of less than \$60,000. For each child, the allowed income is increased by \$12,000. So a family with three children is eligible for EITC scholarship if the combined household income is less than \$96,000. In September 2013, the income level will increase to \$75,000 per family, plus \$15,000 per child.

Because scholarships for the lower income families are covered by EITC, any funds raised by the school for its annual campaign can be used for families whose incomes are higher than the EITC guidelines, but who would still have to make “significant lifestyle changes” to afford tuition, explains Gasner. And since the money raised through traditional fundraising doesn’t need to be used to provide scholarships for low-income families, it is used to give every family a tuition “break” of over \$9,000. According to Gasner, the school’s operating costs, divided by the number of students, places tuition at \$21,700. Because the school gets the EITC money, the funds raised from its annual campaign are used to reduce tuition to \$12,555. “Every family in the school that applies automatically receives the \$9,000 scholarship,” said Gasner. “There are no financial checks.” This across-the-board tuition reduction has resulted in a growth of the student population from fifty-four in 2010 to a projected eighty students, in kindergarten through eighth grade, this fall.

From gasping its last breaths three years ago, today the Silver Academy is financially thriving. Last year, roughly 40 percent of the school’s operating budget of \$1.2 million came from the EITC program. The school has also recouped a significant portion of its endowment—now over \$500,000—from fundraising alone. “Most important,” says Gasner, “we don’t have to take money from the endowment principal to offer scholarships.”

Gasner explains that the EITC program has been around for over ten years, but that there is much more scholarship money available today, mainly due to the efforts of the IPA.

Michelle Twersky, IPA associate regional political director in Pennsylvania, concurs. About a year ago, says Twers-



*This past November, Jewish leaders from Pennsylvania attended a legislative breakfast, sponsored by the OU, featuring an address by Pennsylvania Education Secretary Ron Tomalis. From left: Pastor Terrance Griffith, president of the Philadelphia Black Clergy; Stephen J. Savitsky, OU chairman of the board and Maury Litwack, OU director of state political affairs and outreach for the OU’s IPA.*

ky, “the IPA worked closely with the Catholic Coalition and other school choice supporters on the grassroots level to increase the amount of tax dollars that can be donated from \$75 million up to \$100 million.” Gasner says that there is “a lot of competition from all the private schools in the state to get the EITC money,” so it’s up to each school’s development office to aggressively work with individual companies and apply for the tax credit before the cap is reached.

To further help reduce tuition, explains Twersky, “the IPA has also worked to create the OSTC (Opportunity Scholarship Tax Credit) program, which is similar to the EITC except that the available scholarship funds are targeted for students who live near failing public schools.” Other creative ways currently being considered for Jewish schools in Pennsylvania to tap into available government funding include energy and security proposals. If day schools can pay less for their energy and security needs, then that frees up more funds for tuition assistance.

According to the IPA, in June 2012, the New York State Senate passed the most progressive school choice bill (S 2732) in the history of the New York Legislature (by a vote of 55-4), based on the successful tax credit scholarship programs not only in Pennsylvania, but also in Florida and Rhode Island. The bill, however, died in the Assembly. New Jersey is working on a similar program.

What have been the most practical effects of Pennsylvania’s EITC program? Well, for one family, it has been “life changing.” As Ben says, “I hope my children appreciate that they’re privileged to attend such a great school and get a Jewish education, but if not, then they’ll appreciate it when they’re older. The EITC program is really great. The process of getting scholarship money through them is done in a way that’s not intrusive and helps preserve my dignity. It’s made all the difference in our lives.” ■

*For more information on whether your state has a tax credit scholarship program, or to learn how to work with your state legislators to help create a similar program, contact Maury Litwack at 202.513.6484 or e-mail [mlitwack@ou.org](mailto:mlitwack@ou.org).*