

Frequently Asked Questions Regarding Financial Issues, Tuition and Scholarships*

Dear Parents:

In an effort to be fully transparent with the Silver Academy family about the relationship between school tuition and the actual cost of educating a child at the Silver Academy, the Confidential Financial Assistance Committee and Board of Directors are providing you with information that will educate the members of the Silver Academy community so that everyone understands where our money is going and what it costs to run our school. A focus of this communication is on Financial Aid.

What does it cost to run the Silver Academy?

The budget is made up of several components. The largest component is the cost of paying salaries to our faculty. For academic year 2013 – 2014, the cost of all salaries is approximately \$650,000. Last year, teachers received a modest average raise of 2%. Second is the cost of renting our facility at the Jewish Community Center. Although the rent is subsidized by the Federation (for which we are very grateful), it is still substantial at \$50,000 per year. Other expenses include the cost of lunches, providing nursing care, security, and supplies. The total budget to run Silver Academy is \$1.3 million.

Over the years, the board has worked hard to keep costs down. We have been able to reduce expenses in a number of areas; however, it is simply impossible to reduce our main budget items – salaries and rent. These costs continue to rise, albeit modestly. There is no “fat to trim” in our budget. The school’s Business Manager, volunteer President, volunteer Treasurer, and volunteer Board of Directors keep a careful watch on our expenses.

How is tuition calculated?

Silver Academy calculates tuition quite simply. The Finance Committee takes the total number of students (or the number that is anticipated at the time we prepare our budget) and divide that into the budget. This results in our actual tuition. For school year 2013 – 2014, the actual cost of educating each child at Silver Academy, is \$21,700. This is full tuition.

Next, the Board has decided to adopt a “Tier I” scholarship policy. This means that any student may take the Tier I scholarship assistance, without filing an application to the Confidential Financial Assistance Committee. For school year 2013 – 2014, the Tier I financial assistance is: \$13,500 per student for Kindergarten; \$12,200 per student for 1st grade; and, \$9,145 per student for grades 2 – 8. Thus, for students who take a Tier I scholarship for S/Y 2013-14, tuition (after a Tier I scholarship) is:

Kindergarten: \$ 8,200
First Grade: \$ 9,500
2d through 8th: \$ 12,555

Most students take at least the Tier I scholarship; some do not. The students taking a Tier I

* © 2013 Silver Academy.

scholarship, while they often are thought of as “full paying” students, in fact are receiving a substantial subsidy. The money that it takes to provide Tier I assistance must be raised through our various fundraising mechanisms.

From what sources does Silver Academy raise funds?

Silver Academy raises funds from several different sources. First, we raise significant money from our generous contributors. Many of these are former students, parents, and generous community contributors. Last year, the school raised \$175,000 from these sources.

Next, the school receives funds from EITC (the Pennsylvania Educational Improvement Tax Credit Program). EITC is a Pennsylvania governmental program that allows certain businesses to divert funds that would otherwise be paid as taxes to educational organizations and to obtain a tax credit for their contribution. There is a complicated process for obtaining these funds. Fortunately, Silver Academy has been able to obtain significant assistance from these generous companies. In the 2012-13 school year, Silver Academy received \$400,000 from various contributors through EITC.

The Silver Academy Foundation also provides significant funds for Silver Academy. These funds have been raised from donors who have contributed money to the Foundation. The Foundation holds and invests that money and provides it to Silver Academy to offset deficits in the budget and to pay for certain fund-raising initiatives. Currently, the Silver Academy Foundation is holding and investing \$550,000. In recent years, the Foundation has provided between zero and \$350,000 a year to offset deficits.

Next, we receive a substantial in-kind contribution from the Jewish Federation of Greater Harrisburg. The Federation provides a substantial discount on rent for our facility. While we pay rent to the Federation of \$50,000 (for school year 2013 – 2014), we estimate that we receive an in-kind contribution of approximately \$140,000 (the market value of the space used by Silver Academy at the JCC is estimated at \$190,000).

Additionally, Silver Academy receives funds from bequests, one time gifts, and specific project related fund-raising. This amount last year totaled \$25,000.

Finally, in academic year 2012-2013, parents paid a total of \$507,672 in tuition, which does not cover even *half* of our budget.

Silver Academy is very grateful to the members of our community who have the foresight to contribute generously to our school. We cannot emphasize enough that without these contributions, Silver Academy would not exist. It is extremely hard work to raise these funds. While we would like to be able to provide scholarship assistance to each and every student who desires it for the full amount that they request, parents need to understand that this is impossible, given the amount of fund-raising that we already accomplish.

I pay full tuition and have heard I am subsidizing the education of other children. This does not seem fair. Is this the case?

If a family is paying full tuition of \$21,700/year (for school year 2013-2014, which does *not* include Tier I assistance), then they are paying the *actual cost* of the education of their child (see above, on how tuition is calculated). That is because tuition is simply determined by taking the budget of the school and dividing it among the number of students in the school. If you are contributing in addition to this amount, then *Yashir Koach!*, you are making a contribution to the school and all of us benefit from your contribution. If you are accepting a Tier I scholarship, your child is receiving a substantial scholarship from the school. You can receive a Tier I assistance just by checking the box and accepting it, no application is required for Tier I assistance. In this case, between \$9,145 - \$13,500 of your child's tuition is being subsidized by our many generous contributors.

I asked for a certain amount of scholarship assistance for my children but did not receive all of it. How come?

This is a question that we frequently get. As you can see from our budget and fund-raising activities, there is only so much money to give out. It takes an incredible amount of effort to be able to raise these funds. Without our generous supporters, we would have no money to give out for scholarships and every student would have to be a full paying student. For school year 2013-2014, full tuition costs \$21,700. Fortunately, we have generous contributors who do step up and make significant contributions to assist our school and our community. While the Confidential Financial Assistance Committee regrets that it cannot give out as much scholarship assistance as people request, our school community must understand that we have only limited funds to disperse.

My child receives financial assistance. I am very grateful for this financial assistance and would like to help the school, but do not have any additional money to be able to help. What can I do?

The Confidential Financial Assistance Committee and Board of Directors hope and expect that all parents will devote some time to helping our school. This is especially important for students who receive financial aid. Since virtually all students receive some financial aid (including Tier I), our hope is that all parents devote significant volunteer time to assisting our school.

In particular, Silver Academy needs volunteer assistance in our annual fundraising campaign. Assistance can be provided by making calls or simply helping out with the paperwork. All we need are several hours of your time. This is critical.

There are many other activities for parents who desire to help. These include PTO, lunchroom duty, assisting on class trips, and many other volunteer activities. This is also a great time to see your school in action. We hope and expect that every parent will participate in these activities. Without this volunteer assistance, our school cannot function.

The financial aid forms seem very intrusive. Isn't there another way?

The Confidential Financial Assistance Committee has developed a format that the Committee

believes is as unobtrusive as possible. Many of us remember well the very extensive college financial aid application forms, both from our own college days and from our children's application processes, so the Committee has designed our forms to be significantly less intrusive than college financial aid forms. While the Committee does ask for budgets, income and limited personal information, all of this is kept highly confidential. Even the members of the Confidential Financial Assistance Committee are kept confidential. The members of the Confidential Financial Assistance Committee work very hard to maintain confidentiality and ***no current parents of any students are on the Confidential Financial Assistance Committee.***

It would be very unfair to the vast majority of students if financial aid were given out without the use of forms and a committee. This would result in highly inequitable results. Our application process is designed to be as fair as possible to all students and their families.

I understand that the deadline for filing for financial aid is May 1 of each year. How serious is this deadline?

The vast majority of our scholarship recipients file their financial aid applications on time. This is very helpful to the financial aid process as financial aid decisions are made quite shortly after the deadline, generally by the end of May of each year. At that time all of the financial aid is distributed.

Occasionally, the Confidential Financial Assistance Committee does receive financial aid applications that have been filed late. When applications are filed after the time that the Committee has met, there are ***no funds*** left over to distribute to those students. In those cases the Committee will attempt to find additional funds, but ***once the Confidential Financial Assistance Committee has met and distributed the funds, there are no more funds available.***

It is very important that parents follow the deadline for filing for financial aid.

I feel guilty about requesting financial aid. Maybe I should just have my child forgo a Jewish education?

Silver Academy encourages all parents who have a need to file a request for financial aid. We enthusiastically seek all Jewish students to attend Silver Academy and work very hard with parents to make sure that their financial resources will not prohibit them from providing their child with a Jewish education. While there are excellent after-school Hebrew school programs run by the local synagogues, there is only one full-day program in Central Pennsylvania – Silver Academy.

We encourage you to file for financial aid if you cannot afford full tuition. At the same time, please request only what you actually need. The financial aid process is not a negotiation, nor should it be a time to ask for more money than you really need, as the financial aid committee assumes that you are asking for only as much as your child requires.

Our goal is to make sure that every Jewish child in Central Pennsylvania is provided with a Jewish education.

My family would like to apply for financial aid for our child(ren) to attend Silver Academy. Do I have to follow the formal financial aid process or is there another way to apply for financial aid?

There is only *one way* to apply for financial aid from Silver Academy. *All* families are required to file an application for scholarship assistance —on the forms provided by Silver Academy—to the Confidential Financial Aid Committee. *Only* the Committee may award financial aid. Neither the President of the Board of Directors, nor the Head of School have *any* authority to award financial aid. Also, no other employee, Director, contributor, or other person can make any award of financial aid. This is the only fair way that financial aid can be awarded so that all applications are reviewed equally and without any favoritism or bias. All families are required to fill out the financial aid forms, provide all requested information and submit them on time. The Committee will quickly make determinations on these requests. When these determinations are made *all* available funds are awarded. If an application is received late, it is likely that there will be no additional funds remaining, but the Committee will attempt to secure funding.

The best thing to do to insure that your child receives financial aid is to submit a complete application to the Financial Aid Committee, submit all requested documentation and submit the application on time. The request should be for just the amount that you need.

I am dissatisfied with the scholarship award made by the Confidential Financial Assistance Committee. Can I appeal?

Yes. There are times when an award of scholarship assistance is not adequate to meet the needs of a family. Often, this is because inadequate information has been provided by the family. Also, this may be because the school lacks adequate financial resources to meet every child's needs. Finally, this may be because in the best judgment of the Committee, a family can afford to pay a larger amount of the tuition than had been requested. Whatever the reason, a family can request that an award be reviewed.

The request for a review should be submitted in writing *to the Confidential Financial Assistance Committee* as soon as possible after the award has been made. The review is conducted by the Confidential Financial Assistance Committee. The family should submit any additional information that it believes is pertinent and the Committee will review it and respond as quickly as possible. Families ought to note that there is no right of review by the President of the Board of Directors, the Head of School or any other employee or committee of Silver Academy. All financial aid decisions, including reviews of determinations, are made by the Confidential Financial Assistance Committee.

Who is on the Confidential Financial Assistance Committee? Why is it confidential?

Many parents are wary of submitting their confidential financial information to strangers and in this day and age they have reason to be concerned. Also, in a small community like Harrisburg, many parents simply do not want others in the community to know their financial issues and concerns. In particular, parents have advised the Board that they do not want other parents

knowing about their financial condition and issues. In order to respect the very legitimate concerns of parents, the Board of Directors decided to make the Committee a confidential committee. That means that it is self-perpetuating and picks members on its own. Currently, there are seven members of the Committee. There is no official listing of the members of the Committee. Even the President of the Board does not know the composition of the Committee.

The Committee is made up of members of our community with a deep devotion to Silver Academy and the principles espoused by Rabbi David L. Silver (B”H). They are interested in trying to assure that every Jewish child receives a Silver Academy education. ***No current parents of Silver Academy students or Silver Academy employees serve on the Committee.***

The Committee deeply respects the concerns of parents and strives to maintain confidentiality. The Committee maintains a mailbox that is separate from the school and is accessible only by the Secretary to the Committee (who is a member of the Committee). All information received by the Committee is handled solely by the Committee. No financial information is provided to the office staff or Head of School. Information is provided to the office staff only to the extent it is necessary to send out bills (with no explanation or indication of scholarship aid). The members of the Committee return all of the financial information that they review at the close of all meetings. Only one member of the Committee, who serves as Secretary to the Committee, maintains a copy of any materials. The Secretary communicates with the school on all matters.

The Confidential Financial Assistance Committee believes its goal is doing its utmost to provide a Jewish education for all Jewish children in Central Pennsylvania and doing that within the budgetary constraints provided by the budget of Silver Academy.