



LEAP OF FAITH

By Leah Thayer

This small school overcame multiple challenges and expects a bright future under a strategic partnership between the head of school and business officer, now in their third year of working together. “We both took a risk.”

THE BOTTOM LINE

- Faith-based independent schools have struggled since the recession, but strong leadership and thoughtful planning may be able to turn a school around if it has dedicated staff and supporters.
- Financial transparency, full board support and the flexibility to invest in staff and technology are critical to helping the new leaders change established practices.
- “Right-sizing” to a more sustainable student mix may be preferable to maximizing enrollment.

It's year three of the five-year turnaround plan at Epstein Hillel School, and rather than a mid-marathon malaise there's an energized spirit of renewal at the K-8 day school in Marblehead, Massachusetts, on Boston's North Shore. Enrollment is up 20 percent, kindergarten is full for the second straight year, staff attrition has all but vanished, accreditation is up to date and fewer families are receiving financial assistance. There's also this: On August 27, close to 300 people celebrated the school's official renaming in honor of Arthur J. Epstein, a local philanthropist who in January announced a \$5 million donation to the school.

That gift — more than twice the size of the school's operating budget — is huge for Epstein Hillel. There's no overstating its importance to the small school's ability to invest in everything from physical plant improvements to professional development.

But this turnaround is staked on far more than a cash infusion. Money can't buy students, for one thing. From a high of 250 in 1998, enrollment at Cohen Hillel Academy (the name during the school's first 62 years) had faded to fewer than 50 by the 2014-15 academic year.

Nor can a single generous gift sustain a school for long, let alone replace a dependency on fundraising with actual tuition revenue. Eighty percent of students were receiving tuition assistance that year, and actual tuition revenue as a percentage of operating funds was far below the 81.5 percent average in NBOA's 2014-15 Business Office Survey Report.

Perhaps most importantly, a lump sum of money only goes so far when it comes to persuading families to entrust a school with their children's education, and employees with their livelihoods. Morale and confidence in the school's future direction had suffered, resulting in rising student attrition and faculty and staff turnover.

At a minimum, the school needed new leadership. After a search culminating in January of 2015, the school's board recruited Amy Gold as its new head of school. Regarding the challenge that lay before her, "I think the biggest factor was that I needed to convince people to take the leap of faith and trust me and my decisions for the school going forward," said Gold. Her first hire, in turn, was Will Potter as director of finance

and operations. From him, the job demanded a businesslike rigor, combined with a behind-the-scenes scramble for efficiencies, savings and better ways to operate. "Cash flow was keeping me up at night," he said about his first months at Cohen Hillel, a worry unprecedented in his 33-year finance career, including 13 years at two other independent schools. Righting the ship took him deeply into the school's financials and policies. As a Catholic taking the business reins at a Jewish school, he had to dive deeply into its mission as well.

Jeff Shields, NBOA's president and CEO, believes this kind of ongoing turnaround — a work in progress, to be sure — is replicable among many struggling schools, small institutions in particular. "Failure is not inevitable. No school has to settle for the status quo," he said. "Strong leadership and a thoughtful plan and process can alter the future of a school."

AN "AMAZING OPPORTUNITY"

If there were warning signs at Cohen Hillel, they preceded Gold and Potter by years, likely even before the 2008 financial crisis began to grind through the enrollment and financial foundations of independent schools nationwide. Besides the economic downturn, a confluence of factors eroded its once-strong base, including rising public school competition, several changes in leadership and a gradual geographic redistribution of some of the region's Jewish community away from the area.

Today, in fact, Epstein Hillel School is the only Jewish day school in the 23 towns making up Boston's North Shore. And that singular distinction, among others, was one of the attributes that attracted Gold to the school in 2015.

At the time, she was in her 18th year at the Rashi School, a Jewish K-8 school with 310 students in Dedham, a town south of Boston. Her tenure there exposed her to many aspects of school operations; she had begun as a classroom teacher and later became associate head of school, for eight years directing curriculum, instruction and hiring. "I had an excellent mentor, and when I started to understand the situation at Cohen Hillel I saw a lot of opportunity for leadership in areas where my strengths were," she said. She was interviewed extensively by a board subcommittee whose number-one job was to find a new

head of school. She in turn interviewed them. "They were up front and transparent about the challenges the school faced," and they offered her their full support.

Equally attractive were the strong building blocks Gold sensed already existed. Cohen Hillel would soon be celebrating its 60th year. "There were 60 years of alumni and parents and donors who really believed in the school," she said. "I felt an immediate enthusiasm and support" from different constituents, including longtime donors like Epstein. And "I knew that if I gave it everything I had, and if my efforts worked, it would be an incredible accomplishment to help this school have its own new chapter in a community that dearly loves it. It felt like an amazing opportunity."

With her deep classroom ties, Gold was also struck by "an incredibly dedicated faculty," she said. Despite diminishing class sizes, "they were a very talented group, and eager for leadership, professional development and change. Some had sent their own kids here when the school was much larger, and they were energized by a new beginning."

Not only did Gold accept the position at Cohen Hillel, but she also brought along her daughter, a third-grader, pulling her out of larger Rashi to enroll her in a class with a total of nine students, only one of them a boy. "I wanted to make a very strong show of commitment to the school," she said. "I felt there was no better testament than to say to the families, 'I believe.'"

GREAT EXPECTATIONS

Gold's arrival on campus — full-time in June of 2015, but overlapping with her final months at Rashi beginning in January — revealed to her still more about Cohen Hillel. Those getting-to-know-you months helped build the foundation of trust that would shore up confidence and support among the broader school community.

There were intentionally small 'parlor meetings' with parents, interviews with every member of the faculty and staff, a schoolwide event where she was interviewed talk show style (and the video was posted on the school's website), even travel to Florida to visit longtime donors of the school. "I was new to the community — to parents, donors, faculty — and only through spending time and giving concrete plans was I able to convince people" to take

Photo on opposite page: Nearly 300 people attended the renaming ceremony at Epstein Hillel School (formerly Cohen Hillel Academy), including past presidents of the board of directors, current students and alumni, members of Arthur Epstein's family and several rabbis.



that leap with her, she said. “It was a very individual approach.”

Gold also mapped out the beginnings of a strategic plan to strengthen the school culturally, academically and financially.

She developed a strategy she calls “the 5 Cs,” covering curriculum, communications (internal and external), culture, community and conditions, the latter including everything from painting and landscaping to technology infrastructure. Teachers would get new laptops and iPads, and extensive professional development to support their use. There would be a Moodle learning management platform, new report cards and some new teachers, especially for the redesigned curricula.

There would also be more students. But rather than striving to rebuild to the school’s peak enrollment of 240, Gold sought to “right-size” it to 16 students at each grade level, or 144 in all. “That feels like a better reflection of the community and the current demographics of the Jewish population on the North Shore,” she said. In either case, the school would also need a new admissions director and a rebranding effort.

So there was a roadmap, and there were expenses to fund it. Thankfully, there was also Epstein, a local entrepreneur who despite never having children or grandchildren at Cohen Hillel had been a supporter for more than 30 years. “Arthur is an amazing man who is committed to the vibrancy of the North Shore,” Gold



Head of School Amy Gold (far left) and donor Arthur Epstein (second from right) at the August 27 renaming of Cohen Hillel Academy to Arthur J. Epstein Hillel School. Epstein’s \$5 million gift was the largest contribution in the school’s 62-year history.

said. She and the board president met with him, and even before the \$5 million gift was announced, Epstein agreed to a gift of \$500,000. About \$275,000 would support the new initiatives, and the rest would go into the school’s operating budget.

Likewise, Gold knew she would need an equally committed partner in the business office. “Amy has high expectations. Mediocre is not acceptable,” said Potter. He too came to Cohen Hillel from a nearby school — in his case, Falmouth Academy, where he had been CFO for five years, after eight years in the same role at Nativity Prep School. Like Gold, he asked for and was assured full financial transparency and board support; he also received hands-on consulting assistance from another former school CFO during the critical transition period.

From the business perspective, Potter began by implementing best practices and addressing some spending concerns. He also set out to build up reserves and reverse the school’s hard income coverage from development dollars to income. That meant closely evaluating financial assistance practices in order to bring in more students who are both mission-appropriate and able to pay full tuition.

“I can’t underscore the amount of change Will and I asked of [faculty and staff],” Gold said. “It’s almost unbelievable to think of so much that happened in that first year, but they did it because they were dedicated, open-minded and eager.” Some of those changes, above and beyond curriculum and technology:

- Strategic investments in marketing to rebrand the school, including new logo, colors and messaging language.
- More stringent expense-approval procedures (expenses over a certain amount require Potter’s and Gold’s signatures; all expenses must be approved before purchase and have a general ledger number tied back to the budget).

- New accounts payable procedures, including separation of duties and weekly reporting requirements.
- New providers or renegotiated contracts for items ranging from toner cartridges and transportation to student assessments and an outside physical education provider.

Besides saving money, some of the new practices produced surprising benefits as well. For instance, changing student transportation services from a limousine company to a licensed bus company ensured greater student safety and elicited positive parent feedback, Potter said.

Staff too have appreciated the school’s many changes since 2015, demonstrated by greatly improved morale and retention. Recently at an end-of-year house party for faculty and staff, Potter overhead someone say, “It’s the first time in years I haven’t been running around trying to get gifts for all the people who are leaving.”

While dozens of people have been instrumental in Epstein Hillel’s turnaround, “There is no question that this relationship is paramount,” said Gold of her partnership with Potter. “Each person needs to be equally committed to the mission, goals and vision of the school. These two roles spend a lot of time together, and they need to provide feedback and support to one another.”

Potter agrees. “You need a strategic partner when you’re turning something around. There has to be trust, respect and a willingness to be open to another perspective.” By all appearances, they are in it together. “We both took a risk to take our jobs,” he said. “We both had colleagues tell us we were crazy. We still have our work cut out for us, but we are righting the ship.” **N**



Leah Thayer is NBOA’s vice president of communications and the editor of *Net Assets*.

CHALLENGING THE FAITH

Faith-based independent schools faced considerable enrollment and financial challenges after the recession, according to an August report by Measuring Success. Between 2011 and 2016, a cohort of 78 religiously affiliated schools saw enrollment growth average only 2.4 percent (compared to 4.3 percent for non faith-based schools). Financial aid demands rose from 20 percent of students receiving financial assistance in 2011 to 24 percent in 2016. Over the same period, financial aid per student grew from \$1,900 to \$2,700 — a 46 percent increase. Fundraising remained static at \$77 million per year.

However, these schools also increased tuition at a rate exceeding spending growth. By 2016, their ratio of net tuition income to operating expenses was 90 percent, compared to 80 percent for non faith-based schools.