

17th October 2019

King David Annual Review And Fee Update 2020

The SA Board of Jewish Education is pleased with the progress made during 2019 and would like to take this opportunity to inform you of the King David Schools fee structure for the 2020 academic year, as well as some of the thinking that has informed the decisions taken. Due to a consistent long-term strategy being pursued much of what we share in this letter will be in line with previous letters and on-going communications.

The overriding principle against which all aspects of the schools are managed is **excellence**, and is evidenced by:

- **A sound financial position:** The ethos of financial prudence and good governance has yielded good results, with the schools generating an operating surplus despite the challenging economic environment. Key factors influencing the financial position and budget over the past number of years include:
 - Prudent budgeting and financial management, particularly fee collections at over 98.5% of budget.
 - Maintaining the correct class sizes and teacher pupil ratios whilst ensuring that teacher salaries remain competitive and fair.
 - Looking carefully at the current and future offerings in the high schools such that each offering has a viable number of students to justify the expenditure whilst ensuring there is a wide enough variety of subject choice. Currently both King David Linksfield and Victory Park High schools offer 22 subjects.
 - The successful rollout of King David Ariel which is self-sustaining and operating significantly ahead of budget.
 - Continued capital expenditure and investments in the schools' infrastructure in collaboration with the King David Schools' Foundation.
- **A broad community reach:** The King David Schools are a key pillar of the community and the SABJE takes its role seriously in ensuring as much accessibility to its schools as possible. This includes a focus on managing the cost base and fee levels as well as sustaining the subsidy programme which is managed within clear guidelines. In a challenging economic environment, as we have experienced over the past few years, the subsidy programme has been an invaluable asset in maintaining access to the King David system for many families. The breadth of the subsidy programme is reflected by the fact that 432 students have benefitted from the subsidy programme in the past year, 36 of whom come from families fully dependent on communal welfare. In the current year we anticipate this support to reach R33.5m and it will grow to around R36m in 2020. Our community reach has also expanded with the successful opening of King David Ariel in 2018.
- **An uncompromising focus on academic quality:** The academic results of our schools continue to be excellent.
 - The schools achieved a 100% IEB pass rate in 2018 including a total of 698 distinctions for the 207 pupils and an overall average of 75%
 - 45.8% of all papers achieved an A. 89.1% of all papers achieved a C or higher.
 - 36% of our students achieved 5 distinctions or more
 - 59 papers written in the top 1% of all papers written in South Africa
 - 11 King David students were on the IEB commendable and outstanding lists (8% of the IEB top achievers countrywide)
 - 98.5% of our students achieved university entrance
 - The maths benchmarking we are doing in the primary schools and now in the high schools is indicating that together with teachers covering more material per year, the average results for

each grade have continued to improve. In 2017 there was a focus on problem solving maths in grades 8, 9 and 10 and in 2019 new high school curricula materials were introduced. Our internal benchmarking is indicating improvements in handling problem solving and this was recently borne out in the Schools success in various math competitions.

- **Attracting and retaining the best teachers:** The SABJE recognises the profound and real impact which quality teachers can have on pupils and has thus set out to attract and retain the best teachers to King David Schools by:
 - Benchmarking salaries to ensure teachers are on the correct salary scale.
 - Creating an effectiveness strategy over time that will make King David a desired place of employment and hopefully attract many more high-quality teachers. To this end, SABJE hired a Talent Manager to work across the schools and a tremendous amount of work has been done to focus on talent mapping and future staff development.
 - Embedding a teacher appraisal process that is linked to remuneration to ensure children continue to have excellent teachers and that each teacher is continually challenged to improve his/her teaching skills while being rewarded for doing so. During 2019, the Heads of schools spent two days considering high yield instructional delivery methods with Dr James Stronge from the United States.
 - Continuing investment in academic excellence programmes and increasing budgets for professional development of teachers. This is evidenced by the introduction of school-wide courses relating to empowerment of teachers, the training done by our pre-school Heads at the Harvard Project Zero summer course and the school specific training in which we have invested substantial funds.
 - Investing in the Master Maths initiative to further develop teacher delivery of mathematics. In the recent Wits Maths Competition, 50 of the final 300 participations were Davidians and many were placed in the top 10 positions. We also hosted Dr Ban Har, a world-renowned math expert, during the year.
 - A substantial investment in teacher training by world renowned experts. In 2017, 2018 and 2019 we were able to welcome Dr Scott Goldberg, the immediate past vice Provost of Yeshiva University who trained staff in literacy skills for Hebrew and shared of his expertise with the King David Ariel staff. The schools have now introduced a Hebrew reading benchmark for grades 1-3. We are already seeing improved levels in accuracy and fluency of reading.
 - Investing in a long-term teacher learnership programme which already has over 20 teachers in the pipeline and numerous past participants now working in our schools.
 - We started a process of developing future potential school leaders. In 2017 we started our own internal year-long course with an initial cohort of 18 staff. Based upon the feedback from the first cohort, a number of changes were introduced and we now have an internal team training based upon the LEAD methodology used and developed in Israel. Our first cohort is in process and the next cohort will begin in February 2020.
 - Over the past three years our Pre-school and High School staff have been on the Israel educational trip. These trips are an important component of furthering the schools' ethos and culture - they are also fully funded through donations, either through the King David Schools Foundation or Foundations in Israel and therefore do not place a financial burden on the schools. Both King David Linksfield Junior and Senior Primary went on the trips this year and the funding has been secured to complete these trips over the next three years.
 - Partnership with World ORT: During the course of 2018, the SABJE signed a two-year affiliation agreement with World ORT. This has given the schools access to the largest Jewish educational NGO in the world and we continue to see benefit from this partnership for both students and staff.

- **Upgrading school infrastructure and assets:** In the 2018 letter we mentioned that R145m had been spent over the past 12 years on buildings, vehicles, equipment and technology. When focussing on Capex and staff investment spending over the past 6 years, the following has been achieved:

✓ The building of King David Ariel (now up to grade 5 in 2020 with 12 classrooms built)
✓ The complete refurbishment of the Victory Park Campus classrooms
✓ 4 King David Sandton classrooms
✓ 4 King David Linksfield Senior Primary classrooms as well as the sports pavilion
✓ Completion of the Linksfield High S-block classrooms

✓ The rebuilding of Linksfield Pre-Primary School
✓ Upgrade of the Minnie Bersohn top playground
✓ Purchase of the property alongside King David Rosabelle Klein Nursery School in Waverley as well as various upgrades on the property
✓ 240 Teachers have been to Israel

This is a substantial upgrade of ageing facilities and a clear commitment to the future.

2020-2022: A further R100m will be invested in the King David Schools

In partnership with the King David Schools' Foundation, the SABJE is planning to invest in a number of projects to enhance the schools' infrastructure across all campuses, including flagship projects such as a creative arts and technology centre at KDL High School. By the end of 2022 we would have completed close to 90% of the planned school upgrades.

- **Investment in technology systems and 21st Century Skills:** We have now replaced all computers in all of the school computer and media centres and our replacement policy will see servers and 3 labs replaced in 2020. All of the schools are using fibre links and the network setup is being watched for ongoing opportunities for improvement as well as for potential cost savings. The board has now focussed on areas that can be improved through automation which includes learner management systems, finance systems, data collection, automation of forms and various other such innovations. A competency-based technology curriculum was introduced during 2018 for grades 4-6 and these efforts were expanded in 2019 to grades 3 and 7. Grades 4-6 students in two schools are experimenting with Accelium, an online problem solving curriculum with the use of educational online games.

Ethos of the King David Schools: An area which has received the ongoing focus of the Board's attention and a substantial amount of funding for the past three years is that of the Jewish Ethos. Stemming from the student survey done in 2014 and repeated in 2018 so as to get longitudinal data, we have engaged in a number of ethos projects which include:

- Bringing out highly qualified Hebrew teachers from Israel as shlichim for our high and primary schools.
- We will continue with the shinshinim initiative in which two Israeli youngsters fresh out of school in Israel will be doing community service in our high schools. These near peers will be actively involved in Israel education, Hebrew studies and informal education based on a "near peer" model. We had two in the 2018/2019 cycle and have 4 in the 2019/2020 cycle.
- Expansion of the Jewish SOUL team. To expand our Jewish educational reach a team has been put in place. They have expanded their offering through JWRP trips, trips to Poland for parents, school projects and community impact projects through the IN initiative.
- Teacher trips to Israel - Over the next 3 years further permanent full-time staff will benefit from an online course about Israel as well as an actual education trip.
- The grade 10 Diller leadership program continues and enters its 6th cohort, the World ORT partnership brings substantial student and teacher opportunities and the primary school twinning projects will continue.
- **Security** - While we have always taken security seriously, there has been a major shift in our approach to every element of our strategy. The modus operandi of attacks across the world has caused all Jewish communal installations to reflect on their readiness. The Board introduced heightened procedures and brought on additional highly trained individuals together with the CSO. That said, we have restructured this team so as to maintain the high level of vigilance yet ensure that the costs do not grow beyond inflation in 2020. In the course of 2019, a substantial amount of investment went into creating safe zones as well as external monitoring and early warning systems. We will continue to invest in further physical security in 2020.

KEY STRATEGIC CHANGES AND INVESTMENTS

The Board took a number of strategic decisions over the recent years, all of which required extensive work and these have resulted in many key investments since then. The current ones for noting include:

- **King David Ariel:** The need for a community remedial school was identified and Ariel opened its doors in 2018 with 34 pupils in grades 1-3. We anticipate the school growing to grades 1-5 in 2020

with 9 classes and around 110 students. The school is performing ahead of budget on all key metrics, including financial performance.

- **Student numbers:** Even with emigration slightly up, the schools continue to grow. Having maintained relatively stable numbers over the past 10 years, we will anticipate around 3300 students in 2020.
- **Personnel:**
 - a) Mr Jon Harding, the Financial Director for the past 12 years, retires at the end of 2019. He was instrumental in ensuring the sound financial position of the schools and we pay tribute to him for his tremendous dedication to the success of the King David Schools. He will be replaced by the incoming Financial Director in due course upon the completion of the search process.
 - b) Rabbi Seeff will begin taking over the General Director role from January 2020 and Rabbi Kacev will then focus on a number of substantive strategic initiatives, all aimed at further enhancing and growing the King David Schools.

SCHOOL FEES

The SABJE is pleased with the strong foundation built over the last number of years and in determining the fee increase is confident that the schools are moving forward from a position of strength.

School fees for 2020 will increase by 6.8%.

(Your attention is drawn to the attached fee schedule for 2020 and the natural step ups in certain grades which are a feature of all schools and should be budgeted for by families)

It is important to note that the schools always budget for a narrow surplus. Going into 2020 the SABJE retains its commitment to both prudence and excellence. In determining the fee increase, the SABJE continues to take a prospective view of five key components:

1. General levels of consumer price inflation
2. Maintenance and infrastructure
3. Sustainability
4. Cost efficiencies
5. Student numbers

1. Consumer Price Inflation

Referencing the Stats SA September 2019 report on CPI, general inflation measured approximately 4.5% over the past year. The trend of education being one of the highest contributors to the inflation figures continues to be the case. Educational inflation has consistently run above the average CPI and is expected to be CPI+2% to CPI+3% for the year for independent schools.

2. Maintenance and Infrastructure

Another meaningful driver of additional costs across all of the schools is that of school maintenance. Due to the substantial investment over the years, these costs are relatively stable and are being managed within a 5% increase from 2019.

3. Structural Sustainability

In balancing the need to invest in staff, innovation and the many new initiatives while being ever aware of the current economic times, we have set the fee increase at 6.8% due to cost cutting in other areas. The differential between staff costs and the increase does not provide a large space for maneuvering but we believe that this level of increase will still guarantee the strong viability and future sustainability of the schools allowing for the substantial investment mentioned above.

- **Note:** The IEB matric examination fee of R7115 for seven subjects, will once again be charged in January for Grade 12 and parents can pay it off over 6 months rather than in a shorter period to the school as has been the case in the past. It is our hope that this is of great help to the parents. As mentioned in previous letters, the IEB exam has been central to a higher level of education and assessment and is proving all the more necessary in light of the instability in the public education sector. **It must be emphasised that children cannot be registered to write their exams if these fees are not paid by June.**

- While Shabbaton fees are covered by school fees, only a portion of the Encounter fee for grade 11 is covered. The charge for Encounter in 2020 will be R3050.

4. Cost efficiencies

As more funds are being allocated so as to boost spending in the key strategic areas mentioned above, a concerted effort has been made to cut back in spending and drive efficiencies in other areas of school costs wherever possible.

5. Student Numbers

All of the school budgets are driven by the number of students enrolled in the school. Overall student numbers are expected to remain stable from 2019 to 2020. We do however anticipate lower numbers in the pre-schools and lower grades and this has an impact on the anticipated income across the schools, which is accounted for in the overall increase.

FEE PAYMENTS

Annual fees are due on 1 January each year and are payable either as a lump sum or in twelve monthly instalments commencing on 1 January 2020 and thereafter on the 1st of each month or the 25th of the previous month. Monthly statements for school fees and any extras are emailed to parents at the beginning of each month (statements will be posted by exception only).

Methods of payment:

NOTE: Your debit order will automatically be continued and raised to the new fee applicable in 2020 unless you instruct the accounts department differently.

- **Debit order:** This is the preferred form of payment and a debit order instruction form must be completed. If payment is made by debit order such debit orders will be processed on the 1st of each month or the 25th of the month. Should a debit order not be paid due to insufficient funds or any other reason, an administrative fee of R60 will be levied.
- **Cash:** For security reasons, parents are encouraged not to pay for school fees in cash. Due to FICA requirements whereby the SABJE is required to report any payment of over R20 000 in cash, you are encouraged to make all cash payments directly at any Standard Bank branch.

Credit Card payment

The administration behind receiving and processing credit card payments has resulted in a large financial burden which is costing the schools over R2m a year. To put this into context, this amount could have paid for an additional 15 matric students for 2019. With this in mind, we urge you to preferably not pay by credit card unless you are paying the full years fees in advance. Those who are currently paying by credit card are encouraged to fill in debit order payment forms before the end of 2019 and will be contacted by the accounts department in order to facilitate this change. This measure will contribute to the management of annual fee increases in the future. For the families still on credit cards for monthly payments who do not make this change, the same card will automatically be used in 2020 and raised to the fee applicable in 2020 unless the finance department receive a specific notification in this regard.

Payment Options (please see attached annexure)

There are various payment options which the SABJE allows for. These include:

- Fees paid on or before 31 December 2019, by cash, EFT or cheque.
- Fees paid after 31 December 2019, but before 31 January 2020, by cash, EFT or cheque.
- Fees paid upfront by credit card – please see attached schedule.

The very strict and clear policy and processes for fee collections will continue in 2020. We can only offer excellence in education and keep to our commitments if all fees are timeously paid. Where a parent defaults on payment we are having to insist on debit orders being signed. Tight controls for collections will be maintained in 2020 and a copy of the credit policy is attached for your information. Should you have any queries with regard to the payment of accounts please contact either the credit controllers or our Financial Director's office.

Parents are also reminded that the application form signed at the time of their child's enrolment requires a term's notice in writing, addressed to the Head of school, if it is their intention to move their child from a King David school. Alternatively, they are required to pay a terms fee in lieu of notice. Adequate notice allows for better planning at school level as every child impacts on the school budget.

Financial support programme provides the opportunity to make a difference

The broader Jewish community remains a key focus for the King David schools with Jewish children from diverse financial backgrounds attending our schools. This is made possible through the subsidy programme, donations, and the funds raised by the King David Schools' Foundation. The need to include as many Jewish students as is possible is as critical to the future of our Jewish community as it has been for the past 70 years.

Our subsidy programme is run within extremely tight guidelines and is operating within the budget set.

We are registered as a Public Benefit Organisation under section 30 of the Income Tax Act and are also qualified to issue Section 18A certificates for donations. Jewish education is considered as part of one's 10% donation to tzedakka.

We therefore make a heartfelt request to those parents who can afford to "sponsor a student" to please do so by either sending in a donation, or by including an additional amount with your monthly payment. There is space to indicate the amount of such donation on the new payment form. You are also welcome to contribute to one of the foundation's initiatives by going online at www.kdsf.org

Bus fees

The bus fare for 2019 for those making use of the school bus are as follows:

Full ticket:	R3 905.00
Half ticket:	R1 980.00
One-way ticket:	R 65.00

These fees may be changed from time to time in the course of the year as they are dependent on a number of variables including the price of petrol.

As we head into the last term of the year, we would like to thank you for your co-operation and support and look forward to an equally successful 2020.

Should you have any queries with regard to your own account please contact the finance department on 011 480 4700 or should you wish to comment on the above letter please address them to comments@sabje.co.za.

Yours Sincerely



Rabbi Craig Kacev
General Director