

## 2012 FEDERATION ALLOCATIONS REPORT

The Allocations Committee met on Sunday, May 6, 2012 to determine the allocations recommendations for the program year 2012-2013. The following committee members were in attendance. Susan Fisher (Chair) and Bernie Banet, (Co-Chair) Laurie Barnett, Alan Brilliant, Charlie Butter, Debra Chopp, Steve Gerber, Ed Goldman, Sam Hirsch, Lauren Katz and Art Schuman. Cindy Adams, Denise Bennett and David Shtulman were present as staff support.

Allocations were made on a campaign result as of Friday, May 4, 2012 of \$1,320,000, the actual amount of pledges in hand on that day. Pledges that arrive after that day will be designated to the community reserve fund, which has been reduced in recent years.

In the prior year, there was \$1,350,000 available for allocation, which left us with a \$30,000 deficit to begin our process. There are also several allocation lines that are mandated. These include the following:

- JFNA Fair Share Dues \$52,283
- Jewish Council for Public Affairs Dues 1,500
- Birthright Israel 5,000
- Reserve for Unpaid Pledges 40,000
- Jewish Community Impact Fund 39,000

In addition, the Federation had offered to donors the option this year of designating dollars to local or to overseas needs. A total of \$31,000 had been designated to overseas needs and \$14,000 was designated to local use only.

Finally, a commitment had been made to beneficiaries who receive \$5,000 or less that their allocations would not be reduced further. These include the following:

- Ann Arbor Eruv \$ 500
- Chabad of Ann Arbor \$5,000
- Hillel at U of M \$5,000
- Jewish Educators Council \$5,000
- Michigan Jewish Professionals \$ 500

In order to assure the integrity of the designated gifts the following steps were taken.

1. The \$45,000 that was designated for local or overseas was removed from the pot.
2. The \$40,000 for the Reserve for Unpaid Pledges was removed from the pot.
3. From the remaining dollars, the local/overseas split was determined based on the patterns from prior years. In the past, overseas dollars were cut at approximately twice the rate of local dollars. We entered this allocation with a ratio of 74% local and 26% overseas. Therefore, the dollars were divided into local and overseas pots of 76% local and 24% overseas.

4. The designated dollars were then added back in with \$31,000 going to the overseas pot and \$14,000 going into the local pot. This shifted the proportions to 75% local versus 25% overseas.
5. The mandated allocations were filled into the chart and the remaining dollars were then allocated among the remaining lines.

The total overseas allocation was reduced after the process above by \$27,733 while the local allocation was reduced by \$48,700 after the set-aside for the Jewish Community Impact Fund. The smaller reduction in the overseas pot was a result of the application of the designated giving to overseas.

The following changes were made in the overseas allocations.

- The SELAH Israel Crisis Management Center, which had received \$7,000 last year was eliminated. SELAH, a project to support Ethiopian women who had been abandoned by their husbands after arriving in Israel, had received support from us for several years and was slowly being phased out. The decision was made to complete that process this year instead of next.
- JAFI Net@, which had received \$7,500 last year was increased to \$15,000 this year meeting their full request. There were several reasons for this. Net@ is a unique program that recruits Jewish high school students from Upper Nazareth and Arab high school students from Nazareth to participate in a three year leadership development/technology training program together. The program leads to certification by Cisco Systems as a computer network technician. In addition to providing an important service for youth in our Partnership region and helping to promote coexistence among all Israel's citizens, the local participants in our Student Exchange program are able to interact with the Net@ students each year. Finally, this was seen as an excellent use of the dollars designated to JAFI.
- Partnership 2Gether had the community to community program line reduced by \$2,000 because other monies became available through a grant by the Fisher Foundation. However, \$10,000 was added to a staff support line to allow JAFI to hire a part time staff person in Israel to support all of our activities in the region. This was necessitated because the number of Ann Arbor visitors to the region and the amount of programming we are doing there is increasing every year. It is no longer possible for volunteers from Nahalal to do everything that is required and the program cannot be sustained without a part-time staff person from the Jewish Agency to coordinate all the ground arrangements in Israel. This program was seen as too important to Ann Arbor to put at risk and also as another good use of designated dollars to JAFI.
- The reduction of total overseas dollars plus the shift of some dollars to elective program lines resulted in a reduction of the collective overseas allocation (undesignated support for JAFI, JDC and ORT) by \$36,233 while the elective overseas allocation increased by \$8,500.

The Allocations Committee then considered the local dollars. There was a shortage of \$48,700 that needed to be made up because of the designation of \$39,000 to the Jewish Community Impact Fund. This shortfall was made up in the following cuts:

- The Jewish Federation budget was reduced by \$12,000. The Federation will absorb this cut by making budget adjustments due to staffing changes.
- Michigan Israel Business Bridge was reduced by \$3,000 or one third. Based on reports the Allocations Committee had received, it was felt that MIBB was in a stronger position than the past year and could absorb this cut at this time.
- Israel Scholarships was reduced by \$4,700 down to \$5,000. This decision was based on demand for scholarships in recent years, the availability of other sources of scholarship dollars and the subsidies that are provided by Federation through Partnership programming and Birthright funding.
- The remainder of the reductions was achieved by reducing the JCC, JFS and HDS allocations by 8% or \$12,000, 9,000 and 8,000 respectively. The committee noted that in each case, these reductions equaled less than 1% of the agency operating budget and that increasing agency fundraising should easily offset the reductions from the Federation.

The Allocations Committee then reviewed all the allocations and considered further adjustments. There were suggestions to increase giving to EMU Hillel due to the severe cutbacks they are expecting from Detroit and to the Hand in Hand schools from the collective overseas allocation. However, the determination was to leave those allocations unchanged.

The \$1,000 allocation to belong to the Inter-Agency Task Force on Israel/Arab Issues was also discussed. The primary purpose of this allocation is to list us as Task Force members and to make a statement that we believe in and support equality for all of Israel's citizens. The committee decided that this is a statement worth making in Ann Arbor.

There was also discussion of the Federation reduction of \$12,000 and whether that would be seen as equitable relative to the other local allocations. In the end, it was noted that the actual dollars the Federation lost matched the largest reduction of any agency. Also, as a percentage of operating budget, the Federation allocation was the largest. Finally, Federation cannot do additional fundraising only for itself, while the other agencies can and do, therefore Federation did accept its fair share of the reductions.

There was also discussion of whether the donors who designated their gifts would be satisfied that their donations had indeed been designated. The feeling was that they had and the Federation would send a letter to each of those donors describing the process by which their dollars had been designated.

The Federation will have to assess and discuss whether the donor designation process has the potential to bring in enough new dollars to justify the continuation of this experiment before the start of the next campaign. The experiment was undertaken to test claims that many community members do not contribute because money is sent to Israel and that the ability to designate to a local-only option would increase the campaign. The actual result was that there were not new gifts generated and that more people designated gifts to Israel than locally. In addition, the process weakened the ability of the Federation to allocate dollars based on total needs.

These recommendations by the Allocations Committee were affirmed by the Federation Board at their meeting on May 20.

## 2012 ALLOCATIONS

**Total Allocable Dollars** **\$1,320,000**

### **Local Allocations**

Ann Arbor Eruv	\$500
Chabad of Ann Arbor	\$5,000
Hebrew Day School	\$94,000
Hillel at EMU	\$11,650
Hillel at UM	\$5,000
Israel Scholarships	\$5,000
Jewish Community Center	\$143,000
Jewish Community Foundation*	\$52,220
Jewish Community Impact Fund**	\$39,000
Jewish Educators Council	\$5,000
Jewish Family Services	\$103,750
Jewish Federation Administration*	\$95,970
Jewish Federation Campaign*	\$149,740
Jewish Federation Program Services*	\$220,070
Jewish Summer Camp Scholarships	\$5,000
Keshet Ann Arbor	\$12,750
Michigan Israel Business Bridge	\$6,000
Michigan Jewish Professionals	\$500
Reserve for Unmet Pledges	\$40,000
<b><u>Total Local Allocations</u></b>	<b>\$994,150</b>

### **Non-Local Allocations**

Birthright Israel	\$5,000
Hand in Hand Schools	\$5,000
InterAgency Task Force on	
Israel/Arab Issues	\$1,000
JAFI Net@	\$15,000
JDC Welfare Relief in the FSU	\$25,000
JFNA Fair Share Dues	\$52,283
JFNA Collective Overseas	\$173,067
Jewish Council for Public Affairs Dues	\$1,500
Partnership 2Gether General Membership	\$10,000
Partnership 2Gether Ann Arbor/Nahalal	\$24,000
Partnership 2Gether Staff Support (JAFI)	\$14,000
<b><u>Total Non-Local Allocations</u></b>	<b>\$325,850</b>

\* Components of the total Federation allocation

**Impact Fund Detail Beth Israel Cong.	\$10,000	(Oral and Video History Project)
HDS	\$3,000	(Family Education Project)
JCC	\$6,000	(Teen Leadership Council)
Sukkah Arbor	\$10,000	(Sukkah Design/Build Competition)
UM Hillel	\$10,000	(Israel Fellow)