

Decoding the New JFNA Allocation Model: A User's Guide to Select Core Priorities 2012

What came before?

- For decades, Federations banded together to meet the challenges of Jewish communal life worldwide through the allocation of a portion of their annual campaign funds to the Jewish Agency (JAFI) and the American Joint Distribution Committee (JDC) for Israel and overseas needs.
- Yet, each and every post-merger year has resulted in less money for the overseas allocation, even though total campaign income rose during the years prior to the economic crisis.
- Until 2000, a strict formula for processing these funds was in effect based on a 75-25 split for the Jewish Agency and JDC respectively, with the bulk of World ORT's annual allocation included in the JDC allocation.
- Arguably, if the revenue available for overseas allocation had been increasing, there could have been some reprioritization of that allocation based on the needs identified by the ONAD process.
- Instead, this formula, which was achieved through negotiations between the Jewish Agency and JDC along with UJA (and sometimes CJF), remained steady even as events and needs fluctuated.
- By this point, Federations required a more flexible and innovative process that would provide more hands on understanding of the work in the field and the right to determine their own priorities.
- In response, a new allocations mechanism was approved in 2000, providing Federations the opportunity to designate a portion of their annual allocation to the Jewish Agency and JDC.
- Calling it "community electives," as of 2001, Federations had the option to direct 10% of their annual overseas allocation.
- Initially these funds could be directed only to the Jewish Agency and JDC programs of their choice. Later this framework was expanded to include World ORT and ENP programs.
- The remaining 90% of their Israel and overseas allocation continued to be divided between the Jewish Agency and JDC according to the traditional 75-25 split.
- The ONAD process which involved the Jewish Agency, JDC and federations, maintained the status quo regarding this split on several occasions.

Why change?

- Since its inception, the community elective model has given Federations the opportunity to determine communal priorities and drive commitment for particular slices of the Israel and overseas agenda.
- In many cases, this has enabled them to generate significant new financial resources for individual programs.
- However, even as community electives have energized Federation leadership, lack of satisfaction with a non needs-based allocation system relying on a formulaic split continues to grow and core allocations continue to decline.
- These trends, coupled with the changing philanthropic landscape due to a new economic reality and increasingly diverse donor market options, made it clear that yet another change was needed.
- In response, both a long-term and a short-term bridging solution have been developed.
- A Global Planning Table is now being launched, which will in time provide Federations with the platform they seek, to engage with, understand and prioritize the most pressing needs and exciting opportunities for philanthropic engagement around the world.
- Meanwhile, Federations, the Jewish Agency and JDC have agreed to partner on the launch of a new allocations model which will enable further designation of annual campaign funds to their core activities and, it is hoped, increase dollars allocated for core programming.
- This model is called Select Core Priorities.
- It is designed to give communities the opportunity to understand better both the overall missions of the Jewish Agency and JDC as well as their current programmatic priorities.
- The new mechanism will enable Federations to weigh in on a modest basis as to how they judge or measure these priorities one against the other if they so choose.

What now?

- As of January 1, 2011 there are three ways in which annual campaign funds for Israel and overseas can be allocated via JFNA:
 1. Community elective allocations. There is no change to this framework.
 2. Core allocations which consist of:
 - ❖ Annual undesignated allocation (via the formula)
 - ❖ Select Core Priorities
- In 2012, many Federations have the opportunity to allocate up to 10% of the unrestricted funds they provide to the Jewish Agency and JDC from their 2011 campaigns to four specific

areas of service known as Select Core Priorities. Letters have been sent to Federations advising them of the amount available for allocation to their community.

- These four areas of service have been chosen by the Jewish Agency and JDC in consultation with JFNA/Federations, two per organization, and provide a compelling window into the overall operations of our partner agencies.
- Communities can also opt out of using the new Select Core Priorities and continue allocating 100% of their core funding through the existing split formula.

How will Select Core Priorities 2012 work?

- JFNA in partnership with the Jewish Agency and JDC will present the Select Core Priorities 2012 framework to Federations through a series of interactive conference calls and in writing.
- JFNA will also host a web page with background information and additional resources that Federations can use in determining their communal priorities from within these service areas.
- As part of their overall engagement efforts with communities, the Jewish Agency and JDC will also proactively present their Select Core Priority areas during the course of the year.
- In determining how to invest the 10% of their core funding in one or more of these thematic areas, Federations are effectively doing two things:
 1. Associating with one or more particular area of activity
 2. Having some impact on the current 75 – 25 core split between the Jewish Agency and JDC
- Federations are strongly urged to remain within the 10% guideline for designation. This percentage was agreed on by both partner organizations, in order to help create more opportunities for communities to express their individual priorities, while maintaining their collective commitment to the overall missions of both the Jewish Agency and JDC.

What does it mean?

- The introduction of the Select Core Priorities funding model provides Federations with more choice to express community priorities.
- The model also brings new energy into the Federation Movement, particularly around understanding and meaningful engagement with the basic mission and activities undertaken by the Jewish Agency and JDC on behalf of the North American Jewish community.
- The Select Core Priorities model further represents a major step towards the mission-based philanthropic decision-making sought by the Federation Movement.
- Last, this change is yielding creative thinking and renewed commitment to the Federation Movement's leadership role in our global Jewish community.