Jewish Federation of Cleveland

REPORT OF THE ALLOCATIONS COMMITTEE

TO THE BOARD OF TRUSTEES

2024/2025 RECOMMENDED ALLOCATIONS

JUNE 18, 2024

Introduction:

The Allocations Committee is pleased to present the following report and recommendations to the Board of Trustees. This report outlines the process of the Allocations Committee and its subcommittees, specifies how it reached allocations recommendations for individual agencies and organizations, and details the recommendations themselves.

The community raised a remarkable $36,355,013 for the 2024 Campaign for Jewish Needs (CFJN). It is the unique and challenging task of the Allocations Committee to determine how to distribute funds fairly and with the greatest impact. Our community has varied needs, diverse priorities, and strong local agencies and international partners. The members of the committee sought to honor the requests of the agencies while evaluating and balancing the needs of the community with thorough consideration.

The Allocations Committee takes on this task by focusing on three primary activities: (i) helping to ensure the effective and efficient use of funds distributed to partner agencies through the annual CFJN; (ii) surfacing and tracking systemic and agency-specific issues for community review and consideration; and (iii) recommending the allocation of funds from the 2024 Campaign.

This section of the report focuses only on the allocation of funds. The second section of the report focuses on surfacing systemic and agency-specific issues, as well as provides an overview of challenges to our Human Services, Education and Overseas systems. It also provides a brief report on each local partner agency and a summary of overseas programs that we support. This confidential second section is distributed only to the Jewish Federation of Cleveland Board of Trustees.

In its May meeting, the full Allocations Committee endorsed the recommendations of the subcommittees and National Agencies Liaison Team that appear in this report.

For a description of the Allocations Committees, its subcommittees, and its process, please see the Allocations Committee Structure and Process document (Appendix A).

Sources of Funds:

Allocable dollars come from two main sources. The first source is general campaign funds. This represents the total amount raised by the CFJN less shrinkage[1] and campaign and collection expenses[2]. This year, the Allocations Committee recommends shrinkage of 3.75% for a total of $1,363,313. For the campaign and collection expenses, the Allocations Committee recommends moving this percentage from 9.2% to 9.4% for a total of $3,417,371. This percentage used to cover campaign and collections expense remains below the true cost of these services. These two amounts total $4,780,684 and are deducted prior to distribution to security, overseas, national, and local organizations and agencies.

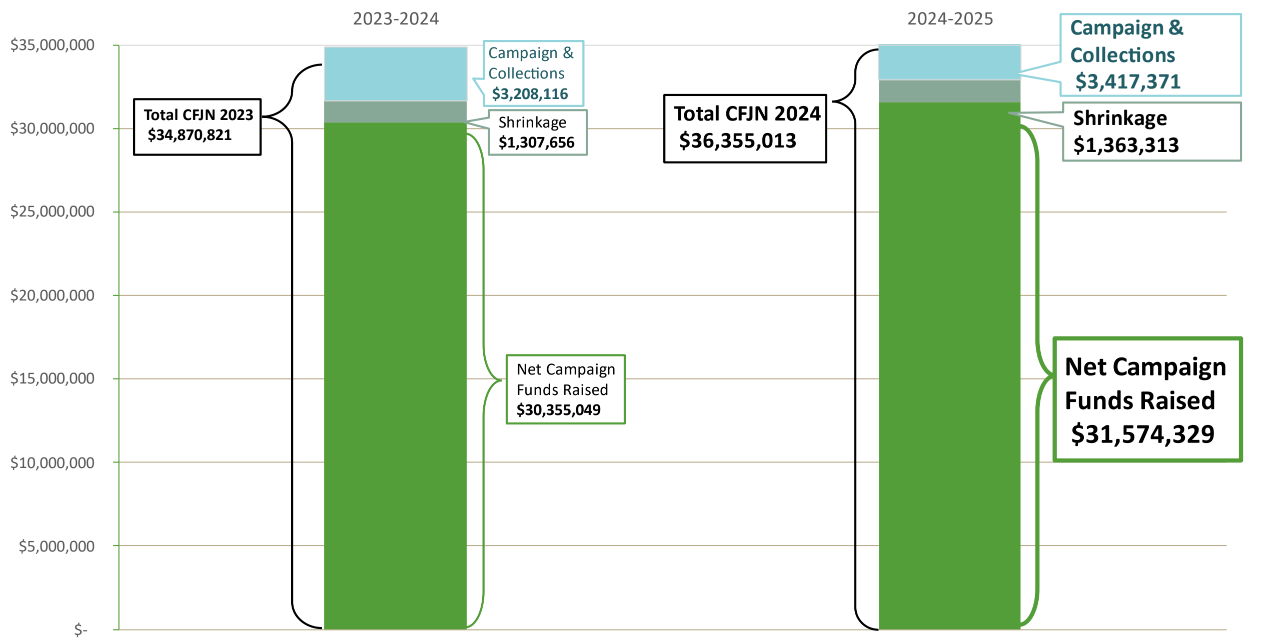
The second source of funding consists of additional "special funds" raised. This includes United Way contributions and any other extraordinary contributions. Since 2015, this has also included Prior Year Collections (PYC). PYC are the funds collected on annual campaigns over and above what was expected and allocated. Collections of pledges remained strong this year, and the recommendation is to lower Prior Year Collections to $454,336.

The chart below shows the fiscal year 2023-24 Allocation, the Allocation Recommendation for fiscal year 2024-25 and the change. The net result of the calculations described above is $33,145,329, an increase of $1,149,280, from the fiscal year 2023-24 Allocation. This chart ties to Exhibit D2, Schedule 1, lines 1-8. There are two additional charts that display the funds raised.

	2023-24 Allocation	2024-25 Allocation Recommendation	FY24 to FY25 Change
NET FUNDS RAISED FOR DISTRIBUTION			
CAMPAIGN			
CAMPAIGN FUNDS RAISED	$ 34,870,821	$ 36,355,013	$ 1,484,192
SHRINKAGE	$ (1,307,656)	$ (1,363,313)	$ (55,657)
CAMPAIGN & COLLECTION EXPENSES	$ (3,208,116)	$ (3,417,371)	$ (209,255)
NET CAMPAIGN FUNDS RAISED	**$ 30,355,049**	**$ 31,574,329**	**$ 1,219,280**
ADDITIONAL FUNDS FOR DISTRIBUTION			
UNITED WAY	$ 1,291,000	$ 1,291,000	$ -
TOTAL PRIOR YEAR COLLECTIONS[(1)] FUNDS	$ 554,336	$ 454,336	$ (100,000)
ALLOCATED PYC-OJC DESIGNATED	$ (204,336)	$ (174,336)	$ 30,000
NET PRIOR YEAR COLLECTIONS	$ 350,000	$ 280,000	$ (70,000)
NET TOTAL FUNDS AVAILABLE FOR DISTRIBUTION	**$ 31,996,049**	**$ 33,145,329**	**$ 1,149,280**

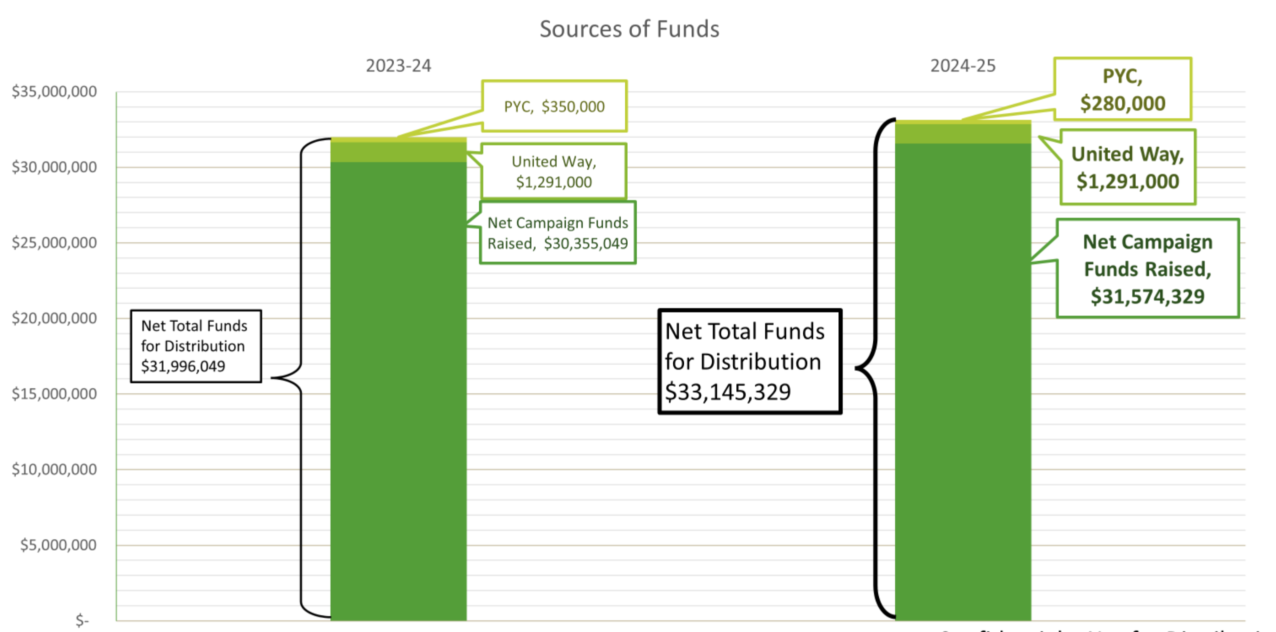
[1] Shrinkage is the amount deducted from the campaign total to create a reserve for uncollected pledges. The Committee continues to review the Federation's experience of collecting funds against pledges.
[2] Campaign and Collections Expenses refers to the amount of money it takes to run a successful campaign and collect payments on pledges. The Allocations Committee adopted, and the Board approved, a plan to increase the amount we deduct for campaign each year until we reach 10%, which, based on research, is the true cost of running a campaign. 10% is still a lower amount than other Federations of comparable size and our local United Way.

Net Campaign Funds Raised



Confidential – Not for Distribution

Breakdown of Sources of Funds



Confidential – Not for Distribution

<u>Distribution of Funds: Overall Approach</u>

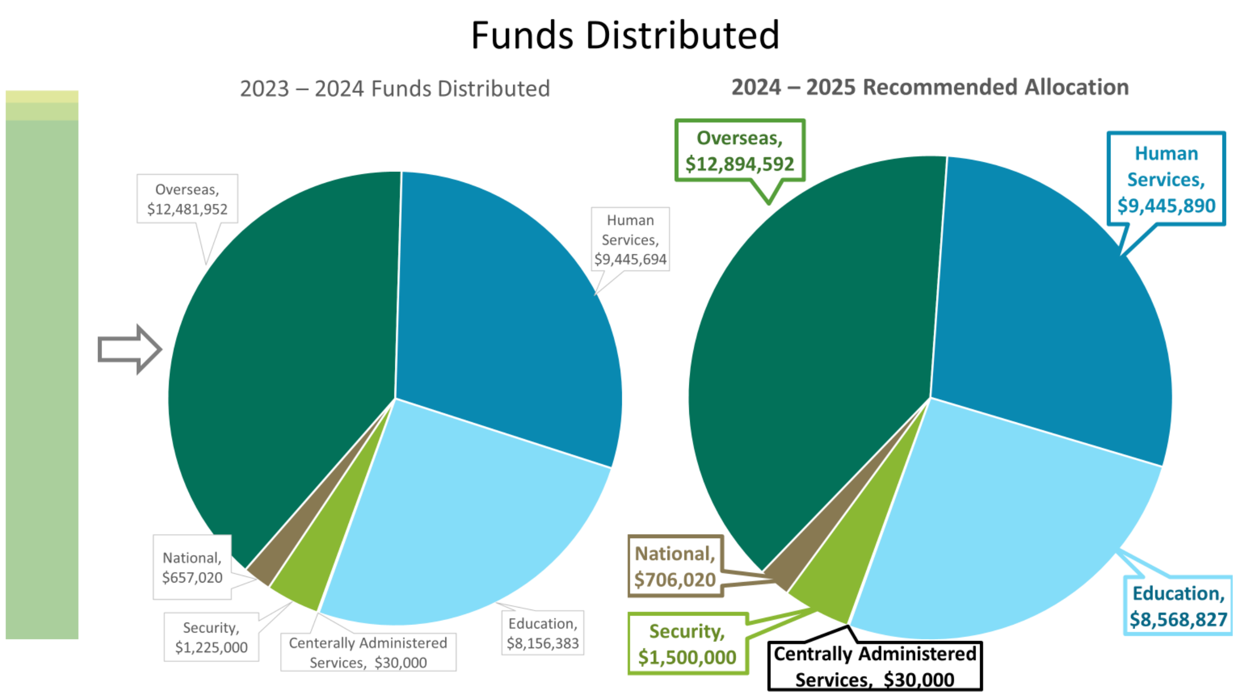
The Allocations Committee recommends providing a base allocation to each agency and program equal to what they were allocated last year. Of the $1,149,280 increase in additional funding, the Committee recommends dividing it among community security, overseas, national, and local. For community security, the recommendation is to increase the allocation by $275,000. The proposed increase to national is $49,000. The remaining funds will be split 50/50 between local and overseas. The recommended increase to overseas is $412,640, which will further be divided between JFNA core allocations and the Cleveland Overseas Projects. The balance of the increase is recommended to be split between the local Human Services and Education agencies, with $243,458 allocated to Human Services and $169,182 to Education.

Additionally, within the $18,044,717 recommended for local, the Allocations Committee recommends that the amount that had been allocated to Menorah Park last year, $843,262, be distributed as one-time dollars to the local education and human service beneficiary agencies. In December 2023, Menorah Park was sold to a for-profit entity, Outcome Healthcare. The new senior living entity set up under Outcome Healthcare, King David Healthcare Center, is also a for-profit business and, therefore, not eligible to receive an allocation from the Jewish Federation of Cleveland. Instead of adding the former Menorah Park allocation to any agency's core, it is recommended that the funds be distributed as one-time dollars to ensure their availability to support older adult services in future years. Caring for older adults remains a priority for the Federation. To align with that priority, the committee recommends $300,000 to be allocated from the one-time funds to support known funding gaps in older adult services. It is recommended the remaining $543,262 will be allocated to the beneficiary agencies in support of their one-time project requests. The assessment of how these funds will be allocated in future years will be informed, in part, by the recommendations from the Community Planning Committee's Older Adults Task Force.

The chart below shows the summary of the allocation of funds and ties to Exhibit D2, Schedule 1, lines 9-20. The pie chart below shows a visual breakdown of the funding distribution.

Of the $33,145,329 available, the Allocations Committee recommends the following distribution:

	2023-24 Allocation	2024-25 Allocation Recommendation	FY24 to FY25 Change
FUNDS DISTRIBUTED			
SECURITY	**$ 1,225,000**	**$ 1,500,000**	**$ 275,000**
OVERSEAS ALLOCATIONS TOTAL	**$ 12,481,952**	**$ 12,894,592**	**$ 412,640**
JEWISH FEDERATIONS OF NORTH AMERICA	$ 8,031,362	$ 8,144,002	$ 112,640
CLEVELAND OVERSEAS PROJECTS	$ 4,450,590	$ 4,750,590	$ 300,000
NATIONAL	**$ 657,020**	**$ 706,020**	**$ 49,000**
TOTAL LOCAL	**$ 17,632,077**	**$ 18,044,717**	**$ 412,640**
HUMAN SERVICES TOTAL	**$ 9,445,694**	**$ 9,445,890**	**$ 196**
HUMAN SERVICE AGENCIES CORE		$ 8,845,890	
ONE-TIME- OLDER ADULTS SERVICES		$ 300,000	
ONE-TIME- HUMAN SERVICE AGENCIES		$ 300,000	
EDUCATION TOTAL	**$ 8,156,383**	**$ 8,568,827**	**$ 412,444**
EDUCATION AGENCIES CORE	$ 6,045,329	$ 6,189,511	$ 144,182
FFJF(3)	$ 2,111,054	$ 2,136,054	$ 25,000
ONE-TIME- EDUCATION AGENCIES		$ 243,262	$ 243,262
CENTRALLY ADMINISTERED FUNDS	**$ 30,000**	**$ 30,000**	**$ -**
TOTAL FUNDS DISTRIBUTED	**$ 31,996,049**	**$ 33,145,329**	**$ 1,149,280**



Allocation to the Jewish Federations of North America (JFNA) and Overseas Projects

Cleveland continues to believe in the importance of maintaining strong support for this global collective effort. Together, the Federated communities can accomplish more than any single community can alone, and our partners at the Jewish Agency for Israel (JAFI) and the American Jewish Joint Distribution Committee (JDC) are agencies with proven effectiveness at addressing needs around the world. The Allocations Committee is recommending $12,894,592 as the total allocation for overseas needs.

The Committee further recommends that the Overseas allocation be divided into categories which follow board-approved programs previously recommended by the Allocations Committee, and the community's historic division of these funds. Exhibit D2, Schedule 2 summarizes these recommendations and provides additional details.

The Overseas Connections Committee enables Clevelanders to directly participate in shaping programs that lead to systemic social change in Israel and other Jewish communities abroad. In addition, it seeks to strengthen the ties between Jews in Cleveland and Jews in these communities. Funds designated this year for Cleveland overseas projects will support the following programs:

- The Cleveland/St. Petersburg, Russia Partnership
- Partnership Together in Beit Shean and Valley of Springs
- Bridge to the Future
- Programs for Youth At-Risk
- Israel: Science, Technology, Engineering and Math (STEM) Education
- Israel Connect (IConnect)
- Partnership with Kibbutz Kissufim

Allocation to National Agencies

The Committee's decision-making criteria for allocations to national agencies focuses on each national agency's relationship to the local community, the benefit derived from our support of the agency, and the impact a change in funding would have on the agency. The Community Relations Committee (CRC) provides input on national agencies. This year the Allocations Committee is recommending that Ohio Jewish Communities (OJC) join as a national beneficiary agency and receive funds through the allocation to national agencies. Previously, OJC received funds through charges to local beneficiary agencies and PYC. The recommended $49,000 increase in the national allocation will support the addition of Ohio Jewish Communities, as well as a $9,000 increase split equally between Hillel at Miami University and Hillel at Ohio University. In total, the Committee recommends an allocation of $706,020 to national agencies.

Please refer to Exhibit D2, Schedule 2 for the breakdown of recommended funding for each national agency.

Allocation for Local Needs

At the start of the allocations process, the local agencies were asked to prepare their 2024/2025 budgets assuming they would receive 95% of their 2023/2024 allocation. The Allocations Subcommittees, with the help of the Jewish Education Center and Community Planning Committee leaders and staff, evaluate each agency using the following primary criteria:

1) How critical is the agency's work to the well-being and strength of the Jewish community?
2) How successful is the agency in accomplishing its mission to meet community needs?
3) To what degree would an increased allocation impact the agency?

The Committee considered multiple factors in evaluating the agencies against these criteria including accessibility of alternatives, number of Jewish community members supported, success in delivering high-priority services, leverage of campaign dollars, government funds, partnerships, financial health, reputation, innovation, and trends in enrollment/customer use.

When considering the one-time allocations opportunity using the funds previously allocated to Menorah Park, the committee wanted to prioritize addressing known gaps in older-adults services. The committee first recommended allocating $300,000 towards currently unfunded senior care needs and towards expanded services to address urgent needs identified by the Older Adult Task Force. Following the allocation of one-time funds to that purpose, the Education and Human Services Subcommittees requested project proposals from all of the agencies. The projects were assessed based on the impact of the funding toward one of the organization's strategic priorities, the impact the project will have on the community, and the future funding and sustainability of the project.

Please see Exhibit D2, Schedule 2 for detailed allocations recommendations for each local agency.

We have highlighted the major considerations and recommendations of the Allocations Committee for approval by the Board of Trustees. We have used an intensive, thoughtful, and deliberate process to fairly distribute available funds for local, national, and overseas needs. The Allocations Committee recommends that the Board of Trustees of the Jewish Federation of Cleveland approve this report as presented, together with the specific allocations and recommendations it contains.

Respectfully submitted,
THE ALLOCATIONS COMMITTEE

Michelle Hirsch, Chair

Jared Miller, Vice Chair and Chair, Human Service Subcommittee

Elisabeth Sherman, Vice Chair and Chair, Education Subcommittee

Loree Potash, Vice Chair and Chair, Overseas Subcommittee

Greg Marcus, Chair, Liaison Team on National Agencies

Trish Adler
Jules Belkin
Pam Borstein
Gena Cohen
Elizabeth Dery
Michael Doris
Edith Greenberg
Adrienne Goldberg
Mark Holz
Justin Kadis
Ethan Karp
Susan Krantz
Eliana LeVine
William Lieberman
Lawrence Mack
David Malcmacher
Marc Melamed
Jonathon Nisenboum
Cameron Orlean
Abbie Pappas
Cole Pesses
Keith Polster
Sharon Rosenbaum
Barbara Rosskamm
David Shifrin
Richard Soclof
Abby Stadlin
Michael Ward
Arthur Weisman
Elissa Wuliger
Andrew Zelman

Appendix A

Allocations Committee Structure and Process

To accomplish its objectives, the Allocations Committee is divided into subcommittees for Human Services, Education, and Overseas. There is also a National Liaison Team. The Human Services and Education Subcommittees are further divided into two-to-three-person Liaison Teams each assigned to work with a local agency. Each Liaison Team meets with its assigned agency multiple times during the year to gain an in-depth understanding of the agency. The Liaison Teams are critical to the Committee as it engages in the difficult task of weighing the immediate requests and long-term issues of the agencies. The Overseas Subcommittee is focused on two funding streams: 1) core funding and 2) Cleveland-designated funding. Core funding is distributed through Jewish Federations of North America (JFNA) to the American Jewish Joint Distribution Committee (JDC) and the Jewish Agency for Israel (JAFI). Cleveland-designated funding is managed and allocated by the Overseas Connections Committee.

In meetings with Liaison Teams, subcommittees, or the full Allocations Committee, agencies and program representatives carefully prepare and explain their resources, budgets, successes, and challenges. Agencies highlight the stresses of government funding cuts, the economy, and other environmental factors impacting their operations and the people they serve. They discuss their successes and their varied approaches to serving people across the community. The Jewish Education Center of Cleveland (JEC) assists the Education Subcommittee in gaining an appreciation of the issues facing the schools and other educational institutions as well as understanding the overall environment for Jewish education. The Community Planning Committee (CPC) assists the Human Services subcommittee in the same manner. The Overseas Connections Committee (OCC) helps the Overseas subcommittee assess needs and issues in Israel and elsewhere overseas. The Executive Committee of the Allocations Committee (made up of the Chairs and Vice Chairs of Allocations, along with the Chairs of the Federation Board, Campaign, JEC, OCC, CPC, and the Administrative Committee and the Federation Treasurer) meets to recommend the overall distribution of campaign funds to the subcommittees and full committee. Finally, each subcommittee meets to determine the recommended allocation to each agency and to agree on the systemic and agency-specific issues.

- Allocations
  Chair, Michelle Hirsch
  - Education Subcommittee,
    Elisabeth Sherman
    - Fuchs Mizrachi School
    - Gross Schechter Day School
    - Hebrew Academy of Cleveland
    - Jewish Education Center of Cleveland / @ akiva
    - Joseph and Florence Mandel Jewish Day School
    - Yeshiva Derech Hatorah
  - Human Services Subcommittee,
    Jared Miller
    - Bellefaire Jewish Children's Bureau
    - Cleveland Hillel Foundation
    - Hillel at Kent State University
    - Jewish Family Service Association / Hebrew Shelter Home
    - Jewish Federation of Cleveland/ Security
    - Maltz Museum of Jewish Heritage
    - Mandel Jewish Community Center
  - Overseas Subcommittee,
    Loree Potash
  - National Liaison Team,
    Greg Marcus