

THE JEWISH AGENCY FOR ISRAEL

THE BOARD OF GOVERNORS

February 2010

ADAR 5770

PROPOSED RESOLUTION
2010 Budget

WHEREAS the Board of Governors, by resolution of October 27, 2009, approved the operating budget for unrestricted activities of the Jewish Agency for Israel for the Fiscal Year January 1, 2010 through December 31, 2010 (hereinafter – “the October Budget”); and

WHEREAS the Board of Governors in the said resolution authorized the Treasurer and the Chairman of the Budget and Finance Committee to submit a proposal for balancing the 2010 budget and requested the Executive to take action by the end of these Board of Governors meetings; and

WHEREAS additional income and/or additional spending reductions will be necessary in order to balance the 2010 budget, and the Treasurer and the Chairman of the Budget and Finance Committee are not yet in a position either to confirm their expectation of sufficient additional income to balance the 2010 budget or to present a proposal to allocate additional spending reductions among departments and other units;

It is hereby resolved:

- A. To increase the framework of the operating budget for unrestricted activities of the Jewish Agency for Israel for the Fiscal Year January 1, 2010 through December 31, 2010, so that the current aggregate amount of \$260.25M is increased by \$3.4M and to apply the increased framework, as detailed in the changes from the October Budget set out below:

U.S. dollars in thousands

	2010 Budget Changes since 2009 October BOG
<u>Income:</u>	
JFNA collective	-10,000
Keren Hayesod	1,000
US Government Grant	1,200
Other Income	1,900
Fee For Services	300
New income to be raised by FRD	3,000
Income contingency	6,000
Total	3,400

Operating Budget:	
Partnership 2000 due to increase in KH revenues	150
Educational Advancement - Net@ due to increase in KH revenues	100
Educational activities in South America due to increase in KH revenues	300
FSU - Higher Education (Fee For Services increase)	67
Programs with FSU Emigrants (Fee For Services increase)	30
Education activities in the World (Fee For Services increase)	62
Education departmental representatives & infrastructure (Fee For Services increase)	141
Office of the Legal Advisor	324
Purchasing legal advice through out-sourcing	-200
Resources Development and Public Affairs *	500
Relations with Federations *	-100
Departmental representatives & infrastructure - Security costs	-150
Board of Governors	20
Additional cost reductions or income required to balance budget	2,156
Total	3,400
Grand Total	0

* To be released subject to FRD implementation plan to be approved by the Director General and the Director General of Finance.

- B. To reconfirm the Board of Governors' commitment to a balanced budget in 2010, and to direct the Chairman of the Executive, the Treasurer and the Chairman of the Budget and Finance Committee to submit to the Executive, no later than March 25, 2010, a proposal to balance the 2010 budget, including, if required, an allocation of spending reduction amounts among the departments and other units, to be dealt by the Executive no later than April 15, 2010.
- C. The Board notes that the Executive has resolved to implement the 2010 budget line of additional overhead & JAFI wide program reduction (shown as \$7,322K in the October Budget), up to the amount of \$2,547K, corresponding to a full reduction of \$5,083K on an annualized basis, as detailed below:

U.S. dollars in thousands

	2010 Budget Changes implementation	Total annualized reduction
Overhead reduction:		
Immigration and Absorption Department	253	505
Jewish Zionist Education Department	185	369
Israel Department	171	341
Executive Offices	76	149
Support Units	362	719
Additional structural changes reduction	1,500	3,000
Total	2,547	5,083

- D. The Board notes that the Executive has resolved to make additional budget transfers at the joint request of the Operational Departments and the Finance Department, as detailed below:

U.S. dollars in thousands

Program		2010 Budget Changes since 2009 October BOG
Immigration and Absorption Department:		
Rescue and Aliyah Encouragement	Raising Awareness of Aliyah	-678
	Preparation for Aliyah	337
	Aliyah Encouragement Missions	79
	Aliyah Shlichim	269
	Overseas Local Staff	505
	Marketing & Publications of Programs	-198
	Total	314
Oleh Oriented Services	Oleh Service Center -Global Center	150
	Geographic Domains	112
	Aliyah-Klita Services	178
Grand Total	Total	440
Initial Absorption Services	Absorption Centers	-273
	Initial Absorption In the Community	-210
	Various Integration activities	-216
	Grants for New Olim	-450
	Young Adults' Programs	96
	Other Programs (includes exchange rate fluctuation reserve)	296
	Total	-757
Departmental representatives & infrastructure	Departmental representatives & infrastructure	-55
	Total	-55
Departmental Management	Departmental Management	-42
	Total	-42
General	Cut T.B.D to offset reduction of special allocation for Nefesh BeNefesh transitional cost	100
	Total	100
Grand Total		0

U.S. dollars in thousands

Program		2010 Budget Changes since 2009 October BOG
Jewish Zionist Education Department:		
Rescue, basic assistance and promoting Aliyah	FSU – Ulpanim	5
	Total	5
Mutual connection and leadership	Activities in Regions: Youth Movements	-8
	ERDS - Training for Formal/Informal Educators	-23
	Summer/ Winter Camps (FSU and the rest of the world)	-1
	FSU - Jewish Identity	-25
	FSU - Youth & Students activities	-5
	Sunday School	-6
	Programs with FSU Emigrants	33
	FSU - Youth activities	-23
	FSU - Experience Programs	16
	Education activities in the World	77
	Student activities	-10
	Educational Tech bridge	-32
	R & D - Hebrew Language Study	-15
	Other Educators	70
Other FSU	6	
Total	54	
Departmental representatives & infrastructure	Departmental representatives & infrastructure	35
	Total	35
Departmental Management	Departmental Management	-94
	Total	-94
Grand Total		0

U.S. dollars in thousands

Program		2010 Budget Changes since 2009 October BOG
JAFI Wide Projects and Organizational Activities		
	Former Prisoners of Zion	-100
	Jewish People Policy Planning Institute	-10
	Zionist Archive	-10
	W.J.R.O	-10
	Measurement of performance	-20
	Contingency	-10
	Lobbyist in the Knesset	-10
	Connecting JAFI to Israel Society	-30
	Additional reduction to be implemented	200
Grand Total		0

- E. To reduce the projected additional income to cover validated needs not funded by core by \$5,767K, and to reduce the budget for JAFI validated needs not funded by core by \$5,767K, as detailed below:

U.S. dollars in thousands

Program		2010 Budget Changes since 2009 October BOG
Jewish Zionist Education Department:		
Israel education, engagement and experiences for young Jews worldwide	Summer/ Winter Camps (FSU and the rest of the world)	-1,500
	Programs with FSU Emigrants	-100
	FSU - Experience Programs	-100
	Jewish Identity Among Israelis	-1,000
Grand Total		-2,700

Program		2010 Budget Changes since 2009 October BOG
Israel Department:		
Invest in opportunities for children and youth	Educational Advancement - Atidim, Net@, Scientific Advancement for Ethiopian Olim & Other	-600
	Youth Aliyah	-400
	Total	-1,000
Shape the future of Israel together	Partnership 2000	-500
	The Jewish Nexus	-100
	Total	-600
Priority regions	Developing Small-Business Initiatives	-500
	Scholarships	-250
	Planning & Advocacy	-150
	Total	-900
Grand Total		-2,500

Program		2010 Budget Changes since 2009 October BOG
JAFI Wide Projects and Organizational Activities & Support Units		
	Nativ - Soldier Conversion	-500
	Connecting JAFI to Israel Society	58
	Board of Governors	50
	Israel Merged Region	-175
Grand Total		-567