

NEW UNCERTAINTIES  
— AND OPPORTUNITIES —  
AS THE END APPROACHES  
YEAR SIX REPORT ON THE CONCLUDING YEARS  
OF THE AVI CHAI FOUNDATION

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## FOREWORD

This report is based on a thorough review of Board minutes, internal documents, and published reports of The AVI CHAI Foundation, and on interviews with some of the Foundation's senior officers and the Executive Directors for Israel and North America, conducted in the United States and Israel in the summer of 2014. Except where otherwise noted, quotations from AVI CHAI Trustees and staff are drawn from these interviews.

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**BACKGROUND**

This is the sixth in a series of reports on how The AVI CHAI Foundation is going about putting its full endowment to use and completing its grantmaking by December 31, 2019. The Foundation was established in 1984 by financier Zalman Chaim Bernstein (z”l<sup>1</sup>), with the mission of strengthening Judaism, Jewish literacy, and Jewish tradition; promoting mutual understanding among Jews of differing religious orientations; and sustaining, enlarging, and enriching Jewish commitment to the State of Israel. AVI CHAI makes grants in three regions: North America, Israel, and the former Soviet Union (FSU).

In 2004, following the strongly implied wishes of its donor, who died in 1999, the Foundation’s Board of Trustees decided, and then announced in 2005, that it would expend its full endowment and cease operations within a fixed period of time. These reports describe the process by which AVI CHAI has planned and carried out its grantmaking so

<sup>1</sup> A traditional abbreviation for the Hebrew *zichrono livracha*: “may his memory be a blessing.”

as to achieve significant, lasting objectives in the time remaining and leave its grantees stronger and more fully equipped to carry on the parts of their mission that the Foundation has supported.

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**PART I: EMERGING LESSONS  
FROM THE EXPERIENCE THUS FAR**

With little more than five years remaining in its intended life, The AVI CHAI Foundation devoted much of its attention and energy in 2014 to improving the likelihood that its grantees and their most significant projects and programs will survive the Foundation’s sunset. Although some latitude remained for starting new initiatives in North America and Israel, the budgets for the two geographic programs had largely been set for the remaining years, so that new efforts would have to fit within those limits. (The Board has left some latitude for changes, as a later section will describe, but any latitude is not broad.) Any new efforts must also take root relatively quickly, given that they, too, will soon face the challenge of carrying on without AVI CHAI support. The twin responsibilities of

reinforcing longstanding projects and carefully introducing new ones have created what Eli Silver, Executive Director of the Israel program, described as “a stimulating kind of combination”: In these final years, program staff have had to master the techniques of organizational durability — helping grantees shore up essentials like fundraising, governance, leadership development, and strategic adaptability — while also nurturing a few new ideas that can be launched in the short time left.

“This is a huge change from the past,” a program officer observed, “when we could first experiment and not have the time pressure to place only the right bets.” Now, having re-oriented all of its effort, among Board and staff members alike, toward reaching a responsible conclusion with lasting benefits, AVI CHAI finds itself calculating not only the cost of each remaining activity, but the amount of time that activity will take to prove its worth at least tentatively, and where the results will stand on December 31, 2019.

Because most of the Foundation’s initiatives at this stage involve strengthening and sustaining existing projects, this report will begin not with a review of the projects themselves, but with a reflection on lessons about sunseting that are emerging from AVI CHAI’s late-stage work. A summary of significant developments in each of the Foundation’s major programs and grants will follow.

### **Winding Down and Winding Up**

Most spend-down foundations approach the tasks of ending their active lives reluctantly and leisurely, at least when they first decide to spend down, not realizing that the most challenging part of their histories lies in front of them. This thoroughly understandable attitude calls to mind the plea of St. Augustine, who famously prayed, “Lord, grant me chastity and self-restraint, but not yet!” They assume that spending down is as easy as ongoing grantmaking in a perpetual foundation, and that it can be finished, without many complications, in any reasonable period of time.

The CEO of one time-limited foundation remarked in a recent interview, “Of course, ten years are plenty of time to start and complete our spend-down. The Belden Fund [1982-2009, but with its major activity from 1998 to 2008] went from founding to closure in only ten years.” Yet a Trustee of that same foundation saw it differently:

We didn’t really focus on it early enough; we waited too long doing what we had been doing, which was fine enough, and I’m proud of what we had been doing. However, I think that this last stage of spend-down would have been more effective than it is — I mean, I think it’s pretty effective in many ways, but it would have been more effective, and we could have accomplished a lot more, with the benefit of more time. At the beginning, it looked like we had a lot of time, but you don’t really have a lot of time. The relationships with grantees and the definition of your mission and all of those things get informed very, very sharply once you make the decision to spend down, and once the decision to do it gets integrated into your decision-making.

Particularly for a funder like AVI CHAI, which has been the prime mover in the creation or expansion of many of its grantees, the end of the grantmaking relationship is likely to be especially complicated and disruptive for the grantee, and demanding on the Foundation staff. To take the most obvious point first — financial resources available to grantees — it takes years of learning how to raise money for grantees who have not had to raise much of the money necessary to support their needs. That learning must now be facilitated by the foundation or foundations that have been supporting them. The grantees will usually need training, guidance, and coaching.

To be sure, a few grantees have taken swiftly and ably to the challenge. For example, Tzohar, which promotes inclusive rabbinic leadership in Israel, has become financially self-sustaining largely through its own efforts, after some 15 years of AVI CHAI support. But for every example of that kind, there will be many others that need financial and technical support in building their resources if they are to remain afloat when the funding relationship ends.

Such organizations typically require their longtime supporting foundation to be an actively engaged partner with them in identifying and recruiting other donors to help pick up the slack in their budgets, and AVI CHAI is now doing this in several instances. But fundraising is only the beginning. A sustainable organization needs skillful communication and accountability, as well as adroit management that can plan and adapt to changes in the funding environment. Typically, nonprofits created or dominantly supported by a single foundation don't know how to build that kind of effectively operating organization. It requires practice and skill development in (1) mission definition, (2) recruitment and refreshment of an involved, diversely talented governing board, (3) business planning, (4) strategy development and implementation, and (5) marketing and outreach to a wide variety of stakeholders, among other skills. Even in the best of cases, mastering all of these skills demands time, training, and prolonged, repetitive practice. For foundations like AVI CHAI that have had a "go-it-alone" grantmaking style, without a broad network of other funders to share the responsibility and ensure a future stream of support, instilling these skills in grantees that are accustomed to steady funding from a single, reliable source will surely take longer.

Spend-down foundations tend to focus first on responsible exiting from their relationships with existing grantees. Only later, often much later, do they begin to waken to the fact that, for one reason or another, they may yet wish to launch new and large legacy-leaving initiatives before sunseting. Such timing is usually an unfortunate mistake, because deferring decisions about starting new initiatives to a time so close to the lights-out date shrinks the window of time available to test, build up, and equip the new initiatives to sustain themselves. Instead, such foundations should ask themselves early in their spend-down planning whether it is likely that later they will wish to initiate new legacy-leaving initiatives. If the answer is "yes," they should then proceed to ascertain the nature, possible or actual, of such initiatives soon after starting

the planning for exiting from their current grant relationships. It may then be more likely that they will be able to run the two processes — spending down and building up — parallel to one another.

AVI CHAI has done both simultaneously. For example, in North America, even as it was focusing on phasing down its support to longtime grantees, including capacity-building support for several of them, it seized on the evolving availability of new technology and software to launch brand new initiatives in online and blended learning in day schools. In Israel, while providing various kinds of extensive capacity-building to a large number of grantees, including facilitating grantee mergers and offering consultative assistance to new chief executives, the Foundation has launched several new initiatives and formed new partnerships and organizational structures for some longstanding grantees.

It is not strictly necessary for time-limited foundations to approach their conclusion by simultaneously exiting and initiating — concluding old relationships while also starting new ones. But it is desirable for two reasons. First, exiting from existing programs is inherently depressing, or at least discouraging, because it constantly reminds staff and trustees that their foundation is inexorably coming to the end of its life. Second, as the end approaches and the full picture of what the foundation has accomplished comes increasingly into focus, some gaps or unfinished challenges are likely to clarify as well. If these are to be addressed, it is wise to begin tackling them early, given that new grantees or new endeavors generally face a relatively flat learning curve. The odds of sustainability will be poor without sufficient time for ramping up, building support, learning, and adjusting.

### **Creativity and Morale**

There is another reason to build in some new programming opportunities, alongside the conclusion of past work, toward the end of the foundation's life: Ending with a bang rather

than a whimper is a way of taking full advantage of program officers' talents, experience, and knowledge of the field just when those are at their peak. By encouraging program officers to take on time-limited new initiatives simultaneously with the foundation's exit from old initiatives, and by reserving financial resources with which to support those new initiatives, a spend-down foundation can avoid wasting its cumulative investment in its most precious resource. That resource is not money; it is the talent of its human resources, its program officers, at the very point in time when they know more than they ever did before.

Thus far, AVI CHAI appears to have struck an effective balance between ending and initiating. In confidential interviews, program officers uniformly offered upbeat descriptions of both their own morale and that of their colleagues. As one staff member put it, "We are just beginning to see that the end is really coming. We just received a memo about the revised schedule of Board meetings, from now to the end of time. That was for me a wake-up call, as the North America program staff is not going to Israel again until the end. That was a little sad. There are things that we all love about working here, that we will be sad to leave. ... [However,] I feel like the next four or five years are going to be super-intensive. We all feel we have a lot to do, and there is a lot of energy still to do it. ... We are all really devoted to what we are doing, so it is a mission, not just a job."

True, the anxieties involved in confronting the end of one's employment are still a few years away, so, at this point, morale has more to do with the content of the work and the creativity of the environment than with any impending career move. Virtually all program staff members have been assured that they will have a job until the Foundation's end, assuming continued good service. (The exceptions are two staff members who are employed on fixed-term contracts, which end sooner than 2019.) All have been assured that Foundation Trustees and the two Executive Directors, in North America and Israel, respectively, will support employees in seeking new positions beyond AVI CHAI. Some staff members have asked

about professional development or advanced-study opportunities before they leave the Foundation, but decisions about that have not yet been made.

The Foundation has also instituted a pension plan with favorable terms for employees who stay until the end. Those who will have fulfilled the tenure requirements to qualify for AVI CHAI pensions will start receiving their pension payments immediately on the cessation of AVI CHAI's grantmaking. Those with such tenure who leave before the end of grantmaking will not start receiving pension benefits until they reach the specified retirement age of 65 in the United States or 67 in Israel.

### **Capacity and Sustainability**

For the past four years, AVI CHAI has been providing significant capacity-building assistance to a hand-picked group of its core grantees in both North America and Israel. The purpose, in both cases, has been to help grantees develop sufficient strength in fundraising and management so that they will be able to weather the loss of AVI CHAI support and overcome the challenge of creating a more diverse and variable mix of funders. In Israel, the overwhelming consensus of opinion among program staff is that its capacity-building dollars have been well spent in increasing significantly the likely sustainability of key grantees. Progress in North America has also been significant; for instance, the Foundation has helped its longtime grantee TaL AM, which develops integrated Judaic studies and Hebrew language curricula for grades 1 through 5, to merge with an Israeli tech company, Compedia. The merger will help TaL AM make better use of technology such as e-books and games for learning, besides providing a more stable organizational platform and business model. In another case, AVI CHAI and the Jim Joseph Foundation together funded a business planning consultant for the Jewish New Teacher Project, which provides instructional mentoring and professional development for day school teachers. The two foundations had jointly funded the project for some time, and in this

instance, they seized the opportunity of a newly hired director to help clarify strategy, strengthen financial management, and generally improve operations.

Still, such measures take time to prove themselves, and in most cases it is too soon to know whether the various forms of capacity-building will actually improve the grantees' sustainability after their AVI CHAI support runs out. One indication of success or failure will be the grantees' ability to replace that support gradually over the remaining years — a challenge that the Foundation has encouraged them to meet by requiring them to raise matching contributions as a condition of their final grants. Many grantees are finding these matching requirements difficult to satisfy, despite having received considerable support for expanding their fundraising capacity.

Across multiple interviews for this report, both inside and outside AVI CHAI, opinion was virtually unanimous that a spend-down foundation — especially one that funds or is the predominant supporter of many of its grantees — has a particular responsibility to help build grantees' capacity, particularly in six areas:

- learning how to raise money; building an effective, well-functioning board;
- creating and administering credible, responsible strategic and business plans;
- formulating and implementing persuasive marketing plans for maintaining contact with their multiple stakeholders and exercising diligent stewardship over those relationships;
- developing and administering their human resource planning carefully and sensitively; and
- generally managing themselves according to high professional standards.

Even so, it must be said that it almost always takes more time for organizations to implement the necessary organizational changes than a donor anticipates. Asked for an assessment of the Foundation's experience thus far, one AVI CHAI program officer pointed out that:

The organizations we're working with are under a lot of pressure to make some — at least some, and, in a lot of cases many, many — structural changes, whether in their governance, or the deployment of their resources, or in staffing, or in reallocating human or financial resources. So there's a real operational thing they are expected to do. They are also expected to make serious progress regarding programs, planning, fundraising implementation, and they are expected to make sure progress towards raising infrastructure money. And they are subject to yearly milestones in the business plans they themselves established with the assistance of consultants paid for by AVI CHAI, to which we are holding them accountable. Personally, I think it's too much to expect. The strategic planning component of capacity-building almost always leads to, or is accompanied by, serious changes. I really believe that the strategic planning process is useful and important. What we didn't learn, however, is how to do it in a way that doesn't distract the organization so much from the work at hand. ... I think the planning is really important. I see the organizations I'm working with using the plan documents. I see what they have learned from the process. I'm a believer. But I'm sure that the time and energy the planning takes is really a distraction to grantee leaders.

In short, AVI CHAI's intensive, late-stage concentration on grantees' organizational strength and sustainability is bearing fruit. But it is doing so at considerable cost to the grantees' time and energy, and it is taking longer than expected.

The difficulties in executing an effective capacity-building regimen are multiplied when the grantees in question are highly dependent on a single funder. In this case, the organizations' challenge is not only to master the various skills necessary to upgrade their fundraising, management, and governance, but to wean themselves from past habits of simply relying on a steady, familiar source of money. Such organizations, as one AVI CHAI grantee explained, "may not get it right on a first attempt to do a sustainability strategy. And ... even when they do get it right, they will need help in figuring out how best to set themselves up to implement the strategy."

Other factors can deepen the complications as well. For example, when the capacity-building plans coincide with changes in a grantee's leadership (as happened in the case of the Jewish New Teacher Project), or when they entail merging with another organization (as in the case of TaL AM and Compedia), the normal organizational stresses and strains of these circumstances are likely to compound the difficulty of capacity-building exercises. Mergers can be particularly fraught, given that every organization's culture is *sui generis*, and it takes considerable time for the merging teams to get to know, like, trust, and accept one another. It is therefore essential not to rush the merger implementation, at the risk of, among other things, prompting the loss of key leaders whom one needs to retain, and, in the worst case, breaking up the merger altogether.

At the time this is written, The AVI CHAI Foundation is experiencing many of these kinds of complications, even though the various capacity-building plans were well-conceived, promising both synergies and likely sustainability, and even though most of them initially seemed to come together reasonably well. Yet the re-balancing and re-alignment of organizational roles among highly competent key leaders of several organizations — leaders who are well known to and highly regarded by one another — are proving surprisingly troublesome.

The Executive Directors of both the North America and Israel programs recommend that, before embarking on a capacity-building exercise, a careful analysis of each of the grantee organizations is required in order to ascertain (1) whether an organization needs such assistance in order to achieve sustainability, (2) what kind of capacity-building assistance each requires, if any, and (3) whether, indeed, any kind or amount of capacity-building assistance has a reasonable likelihood of making the difference in an organization's capacity to achieve sustainability in a reasonable period of time, under the leadership it has at present or seems likely to be able to recruit. AVI CHAI followed such a procedure some years ago, assessing each grantee's ability to benefit from the amount

and kind of capacity-building support that could be provided during the Foundation's remaining life. Those that could not were given expedited exit grants but no capacity-building at all.

Despite the risks and complications, the AVI CHAI program officers who are now both overseeing exit planning from prior grantees and simultaneously involved in launching, building and/or growing new or expanded initiatives are engaging in the same capacity-building steps for the new initiatives as for the concluding ones. That fact is persuasive testimony to the seriousness with which they are committed to this approach, despite its challenges. They recognize that, regardless of the duration of their Foundation's relationship with a grantee, capacity-building is an indispensable ingredient both in successfully departing from prior grantees and in successfully launching new or growing initiatives that are likely to endure.

### **Partnerships with Other Funders**

Having functioned for decades primarily as a go-it-alone funder, AVI CHAI changed course roughly three years ago and began a concerted effort to find kindred grantmaking spirits in other foundations. As its sunset approached, the need for other funders to enter the field in AVI CHAI's stead was an obvious motivating factor for seeking out possible partners. However, experience has taught that merely asking other foundations to take over the funding of an AVI CHAI grantee, to function as a successor rather than a partner and co-creator, offers slim hope of success. Few funders, if any, welcome the role of substitute or successor; without the opportunity to help shape an agenda and contribute strategic thinking, the prospect of merely adopting another institution's programs holds limited appeal. AVI CHAI has therefore been careful to direct its energies toward forging relationships with other funders, not at seeking lifeboats for grantees.

As of the present writing, program staff in North America has been working closely and collaboratively with counterparts in other foundations on joint



efforts that have yielded approximately \$20 million in new grants from other foundations for initiatives supported by AVI CHAI. Some of these grants are for efforts that were co-created by the participating funders; some involved other funders joining AVI CHAI; and in some cases AVI CHAI joined in initiatives designed by other funders. All of these are squarely within the primary program objectives of all the participating foundations. In North America, the funding partners thus far include the Crown Family Philanthropies, the Jim Joseph Foundation, the Kohelet Foundation, the Maimonides Fund, the Bernard Marcus Foundation, and the Goodman Foundation.

The Israel program has also had success in this area, though so far with fewer foundations and in smaller initiatives than in North America. Funding partners in Israel have been the Posen Foundation, the New York UJA-Jewish Federation, and the Jewish Agency; in addition, the individual and family philanthropies that support the Alliance Française and Chaverim Kol Yisroel are also partnering with AVI CHAI Israel. On a smaller scale, some partnerships have developed with the Nadav Foundation and the San Francisco Federation.

In an interview for this report in 2014, the chief executive of one of AVI CHAI's larger funding partners emphasized the two-way nature of the relationship, in which each institution has the opportunity to contribute, to discuss disagreements, and to learn from the other. As a result, both sides often find that their positions change because of the shared learning that arises from the trust on which their openness with one another is based. An officer of another funding partner added that AVI CHAI's emphasis on evaluation has made it particularly inviting for other funders to join it, because there is evidence on which a potential partner can base a decision. "And what is just as important to us," she continued, "is that AVI CHAI is also very candid about their non-successes, and that helps us have confidence that we're looking only at things that they consider as being successful." Several funding partners, both in North America

and in Israel, said that their relationship with AVI CHAI has led them to undertake initiatives that they would likely not have pursued otherwise.

One cannot help but wonder whether, if AVI CHAI had been seeking partners soon after it announced in 2005 that it would be spending down, or perhaps even earlier, it could have been much further along by now in co-creating initiatives that would have attracted even more foundations to join in. On the other hand, had it started recruiting partners before its own grantmaking had built a strong reputation for imaginativeness and quality, AVI CHAI would likely not have been as attractive a funding or thought partner as it now is. One can argue the case both ways. But it is clear that the more partners a spend-down foundation can attract to its high-priority objectives during its lifetime, the more enduring its legacy is likely to be. AVI CHAI's experience in partnership recruiting and grantmaking, even in a short period of three years, suggests that, had it started sooner to seek partners, it would have succeeded in attracting more of them and in doing more with those it attracted than it is now doing.

As an AVI CHAI Trustee points out, the value of funding partnerships for a spend-down foundation consists of more than just the obvious benefit of bringing in more money. It is also a way of exerting influence in the field that can outlast the Foundation itself. "There is no question," she says, "but that our professionals and those funders have made really close and meaningful connections that have already borne fruit and will continue to bear fruit in the years ahead. I think that that 'getting out there' will outlast AVI CHAI."

### **Separation Anxieties: Lessons about Exiting**

The first thing that must be said about AVI CHAI's experience with exiting from long relationships with grantees is that it was very hard for program officers to do. Why? As one of them explains: "It might not be so difficult to exit if we had decided to exit when we made the original grants. Our exit strategy is so vastly different from how we did our financial

dealings with grantees prior to deciding to spend down.” In 2005, when the Foundation announced that it would end its grantmaking within 15 years, both staff and grantees found the sunset too remote to reckon with while they were dealing with more immediate concerns. With their attention fixed squarely on the here-and-now, “neither the grantees nor the program staff fully internalized the fact that exiting was relentlessly coming down the road.”

One of the most important steps the Foundation took as it began to focus on how it would exit was the process of rating the existing grantees as to (1) their comparative centrality to the overall mission of AVI CHAI, and (2) their effectiveness in achieving the purposes of their grant. Program staff in each geography rated the grantees on both factors, and, in a parallel process, the Trustees were asked to rate both factors from the perspective of the Foundation as a whole. Once the two separate rating surveys were done, the executive director for each geography compared and discussed them with the Trustees, and a final consolidated ranking was arrived at. On the basis of that triage process, decisions were made about the timing of exit from each grantee relationship, as well as about which grantees could have their likely sustainability improved by capacity-building assistance.

A senior staff member points out the pluses and minuses of this highly selective process: “I think that such a process is essential for a very strategic, focused spend-down foundation determined to leave an impact in its key fields. From a partnership-building perspective, however, it holds one back a little in terms of being able to think more broadly with potential partners. From an impact perspective, the triaging was the right decision. I must add that I strongly believe that any foundation, whether spend-down or perpetual, that seeks to achieve impact would do well to go through that same process.”

In other words, the winnowing of grantees based on criteria that were highly specific to AVI CHAI — focused on its own goals, mission, and estimates of likely success — meant that the resulting list might

be less likely to appeal to other funders with slightly different viewpoints and priorities, thus creating a challenge “from a partnership-building perspective.” In practice, however, AVI CHAI has been willing to balance the discipline of the triage process with a degree of flexibility in working with other funders, seeking to maintain the focus that the winnowing process provided while still welcoming partners and their ideas, when compatible, into the mix.

The complexities of these two challenges — narrowing the overall focus in the final years, and planning how each grant relationship will conclude — suggest that foundations planning to spend down would do well to start early in thinking about how the end of their grantmaking will take shape. Will all grants end at more or less the same time? Or will the portfolio of grants taper and narrow gradually in the late years? If the latter, how will the criteria be set, and what will be the consequences for grantees’ relationships with other funders? Even years ahead of time, grants can be tailored to make these late-stage decisions easier, or at least make their implementation smoother. Conversely, a failure to think through these challenges in the early stages of grantmaking could multiply the difficulties when it’s time to bring the whole enterprise to a close.

### **Focus, Discipline, And Impact**

Trustees have been careful to ensure that the flexibility required for co-funding relationships not become a slippery slope, but that the Foundation, as it approaches its conclusion, clearly and firmly adhere to the strategic course it has set. As a long-serving member of the Board summed it up, “You’ve got to understand what you want to do in your final few laps. You’ve been going around the course for, let us say, 28 years. Of those, you had 13, 14, maybe 15 where you had a clear path. It was further refined in ’09. But by ’10 or ’11 you really knew what you want to accomplish. Well, we might have added one or two more refinements to what we wanted to do in the fields in which we were working. But there has not been and there will not be any drifting. Not only mission drift, but I mean drifting from what we seek

to accomplish, basically how we seek to accomplish it, and we will not lose our discipline in terms of how we spend our money.” The lesson for any institution planning a limited life, he adds, is, “Be sure you have a foundation where its staff, officers and Trustees understand that in order successfully to sunset you have to set your course, believe in it, embrace it, sail that course, and complete it.”

A program officer describes how that kind of discipline is expressed in the everyday work of grantmaking:

What the spending-down process does, and it's really a fascinating one to experience from the inside, is to force thinking in a different way than in the past, and to ask hard questions: ‘This is how much I have available to spend, and this is how much time I have left in which to do it. What do I want to achieve in this fixed period of time? I cannot achieve everything that I had hoped at one time to do, so what will have the greatest impact and be most meaningful in the time we have left?’

‘While the spend-down environment places more pressure on each funding decision, it's also a clarifying and fantastic process to go through so you can home in on a strategy and recognize, ‘Maybe we can't do everything we dreamed, but here's what we hopefully can achieve before we close.’

It should be noted that the program officer quoted here works primarily with grantees that are supported by other funders (albeit not for the same purposes) and are not, as a consequence, facing mortal danger from AVI CHAI's departure from the field. It may therefore be somewhat easier for this speaker to be philosophical, even energized, over the prospect of a sunset. In fact, most of the projects in this program officer's portfolio involve the training and deploying of new workers in the field. Their talent and dedication — and the people they in turn may train or inspire — will constitute a legacy for AVI CHAI, even if (as seems unlikely) its further influence on the field were to cease immediately after its last grant is made.

And yet even so, this employee's embrace of the discipline and clarity of a limited time and budget is not exceptional at AVI CHAI, according to the Trustee quoted earlier in this section.

‘There has been no contentiousness on the part of anyone about the way we do our business,’ he said. Even as the final deadline has drawn nearer and unexpected challenges have arisen along the way, ‘No program director has asked for more money than was allocated to him to spend.’

### **Plans For Unexpected Funds In The Final Years**

At the end of 2019, when all grantmaking ceases, AVI CHAI's assets will not have reached zero, or even close. Instead, the institution has long planned to make a final, long-term provision for continuing support for Beit AVI CHAI, a major cultural and educational center in the heart of Jerusalem that the Foundation created and has supported with annual grants. Budgeted grant amounts for all other purposes have therefore been planned so that \$150 million to \$175 million, and perhaps more, will remain at the end to help sustain Beit AVI CHAI.

The original intent was to transfer the remaining assets to Beit AVI CHAI on December 31, 2019. However, for a variety of reasons, primarily having to do with a desire to ensure continuing accountability from the grantee's management and board, the Foundation now intends to retain those assets and periodically transfer income or capital to Beit AVI CHAI as needed. In this way, the Foundation's Trustees, assisted by a comptroller, will provide continuing and enhanced oversight of Beit AVI CHAI's financial management and operations.

The existence of such a residuary beneficiary increases the Foundation's options for how it deploys any unanticipated resources between now and lights-out. Such extra resources might include any higher-than-expected earnings on its endowment, or left-over grant funds that go unspent if grantees fail to satisfy matching requirements or other conditions of their grants. In other words, because of the planned provision for Beit AVI CHAI, the

Foundation is under no pressure to put every penny to use by a fixed date; it could allot all or part of any final surplus for the benefit of Beit AVI CHAI. As one Foundation Trustee put it, “We have something special. We don’t have to spend down. We don’t have to panic. We don’t have to go after all kinds of stuff so that we make it to ‘flat’ and end with no assets left.”

Aside from alleviating the need to put every available dollar to use by the final day, the prospect of having a residual grantee appeals to some Trustees for another reason as well. Some are not convinced that any new initiatives, begun in the late years when unexpected resources become clearly available, would then have enough time to prove their worth and sustainability. Better to direct such resources, they would argue, to the almost certain need to support the effective and expanded operation of Beit AVI CHAI than to gamble them on new or expanded initiatives elsewhere, without having enough time to incubate, test, and sustain the new work.

While that reasoning will almost certainly prove correct in two or three years’ time, there is some question about whether it necessarily applies now, when a few years of grantmaking still remain, and some new initiatives could still be prepared and launched responsibly. The reluctance to take that course has some disadvantages for program staff, who see, at least at this point five years away from closing, what they regard as high-quality potential initiatives in which they would very much like to invest, resources permitting. For them, the years 2015 and 2016 are *the* critical decision window at which any new or enhanced initiatives must either be launched or forever forgone. They feel that, if the decision to allocate funds to such initiatives is not made within the coming two years, it will then be too late for anything worthwhile to be launched and tested before lights-out.

At this point, grant funds that are freed up because they are not used for their originally approved purpose can be made available for new uses by the program to which the funds were originally allocated. That would depend, however, on the merits of any

new idea, including whether it is consonant with Foundation priorities in the place where the funds become available and whether it can be executed soon enough so that staff and Trustees can be confident of its success. Trustees do not appear to be of one mind on this issue, and the policy is not universally understood among the staff members. Further discussion and clarification are likely.

In any event, the lesson of AVI CHAI’s decisions so far seems to be this: Some plan needs to be in place for how to use funds that remain unallocated at the end of the foundation’s life. One approach, as will happen with Beit AVI CHAI, is to identify early a residuary legatee to which assets remaining at the lights-out date can be transferred. Another would be to reserve a specified, estimated amount of assets to become “Last Hurrah” grants, and to plan their effective use well enough in advance of closing down to allow program staff time to distribute and oversee these grants effectively.

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## PART II: PROGRAM UPDATES — NORTH AMERICA

AVI CHAI’s grantmaking in North America focuses primarily on Jewish day schools and overnight Jewish camping. These were chosen because of their decisive influence in instilling Jewish knowledge and lifelong identity, and for their unique ability to cultivate what Foundation leaders refer to as an “energizing nucleus” of Jews who are literate, engaged, committed to their Jewish identity, and supportive of the State of Israel.

Financial support for individual Jewish day schools and camps universally comes from the parents who pay tuition and from additional donations from local foundations, philanthropists, and Jewish federations. Perhaps a dozen or so national and regional foundations support the field of Jewish camping nationally, as does AVI CHAI, but the camping focus of AVI CHAI is on strengthening the specifically Jewish content of the camps by providing training in Judaism to camp directors and assistant directors, counselors, and others.

The AVI CHAI Foundation is the only national philanthropy that focuses so intently on creating and nurturing the national infrastructure for Jewish day schools. It has provided loan funds for facilities, expansion and incentive matches for increasing contributions, extending support to institutions across the spectrum of religious denominations. AVI CHAI grants support the training of day school administrators, preparation of teachers to enter day school teaching, mentoring of new teachers, and development and publication of curricula to teach Jewish studies and modern Hebrew. Most of the non-Charedi Jewish day schools in the United States, as well as many Jewish day schools in other countries, use the curricula developed by AVI CHAI's grantees, employ school heads and assistant heads trained by its grantees, and employ teachers who have been prepared and given professional development and mentoring by them. Thus, as the Foundation approaches the end of its grantmaking, the overriding question facing the Jewish day school world is: "Where will the resources to support such infrastructure organizations come from post-AVI CHAI?"

Consequently, the great challenge for the Foundation in North America has been to do what it can to equip its principal grantees to achieve sustainability after it ceases to exist. AVI CHAI has sought to respond to that challenge by providing extensive capacity-building assistance to the grantees most central to its program priorities, including high-quality consulting in strategic planning and business planning, financial assistance to strengthen grantee capacity to raise financial support, providing challenge grants to grantees to be matched by other donors, training in board-building, education in mission marketing, assistance in social media, and the like. Those efforts achieved some notable successes in 2014, several of which are highlighted here.

*The TaL AM merger with Compedia.* As described earlier, AVI CHAI spent considerable time searching for a suitable partner for the curriculum-development organization TaL AM, hoping to find one that could help strengthen Tal AM's

business model and make greater use of technology in the promotion and use of its Jewish studies and Hebrew curricula. It ultimately brokered a relationship with Compedia, an Israeli educational gaming firm. Mergers are almost always difficult and require some years of patience, but TaL AM's founders describe the partnership thus far as "doing nicely." The first joint product is scheduled to be tested in TaL AM schools in the 2015-2016 school year. Thus far, it has proven to be a textbook case of what capacity-building can be at its best.

*The merger of NETA with Israel's Center for Educational Technology (CET).* NETA is a nonprofit organization that has created a "comprehensive Hebrew language program for students in grades 6-12, now reaching 15,000 students in over 120 schools worldwide."<sup>2</sup> AVI CHAI supported the creation of NETA 12 years ago and has been its dominant funder since the beginning. Seeking a way of ensuring the program's continuity, the Foundation turned to CET, both for its organizational strength and its superb digital competence. However, its focus had always been on developing Hebrew language curricular materials for schools in Israel; it had never before worked on instructional materials for Hebrew-as-a-second-language in other countries. The creation of a NETA-CET "product" has not been as easy to implement as the TaL AM merger with Compedia, but it seems to be proceeding constructively and productively now, as the respective parties to the merger get to know one another better and work through their differences. During this process, AVI CHAI staff has kept a respectful distance (which is in sharp contrast to the Foundation's active role in the TaL AM / Compedia partnership.) As one participant in the merger put it, "It's really important to let the two parties create their own mechanisms of relationship and resolve the differences among themselves."

*Foundation for Jewish Camp (FJC).* Unlike many other AVI CHAI projects, most of the grants administered by FJC seem, at this stage, to face no fundamental

<sup>2</sup> Quoted from the AVI CHAI website.

questions about their survival after AVI CHAI'S departure. FJC has become the intermediary of choice for foundations to mount programs of various kinds to strengthen the field of Jewish camping, and an AVI CHAI senior program officer describes it as "our primary operating and thought partner" in the field of camping. One indicator of the strength of Jewish camping is that, in the five years following the financial crash of 2007-08, the number of campers in nonprofit Jewish camps increased by 14 percent, compared with a 10 percent drop in for-profit camp enrollment. AVI CHAI's support for FJC has concentrated on creating programs that increase the distinctly Jewish content of camps. FJC trains both full-time and summer-only camp personnel and encourages all Jewish camps to ensure that they educate their staff and campers in how to fulfill their defined Jewish mission. Many of the FJC programs supported by AVI CHAI have also found support among other FJC funders. An evaluation conducted in 2013 concluded that these programs "make an extensive impact on Jewish camps," and have made it possible for "the culture of camp [to shift] noticeably towards Jewish and Israel education."

*The Jewish New Teacher Project.* This initiative focusing on training and coaching teachers for Jewish day schools, described earlier, is a component of the New Teacher Center, which has won the praise of many in the education reform movement as well as significant continuing support by foundations. Since JNTP's founding a decade ago, the Project has trained more than 220 mentors, who have in turn coached more than 660 beginning Jewish day school teachers. In the 2013-2014 academic year alone, JNTP-mentored teachers taught 11,500 students in Jewish day schools. Along with a funding partner, the Jim Joseph Foundation, AVI CHAI seized the opportunity presented by a newly hired project director to help JNTP create a new business plan and shore up its finances. Looking back on that support, the director, Nina Bruder, concluded that, "To help us sort out our financials and develop a data-informed strategy, and get a clear picture, has literally turned us around." The two foundations then made multi-year grants,

including additional money for JNTP to hire a development staffer, as well as an organizational consultant to work on program delivery and re-design. The combined support for business planning, strategy, resource development, and CEO-searching that AVI CHAI and Jim Joseph made available now seems to have placed the Project in a strong position to attract more funding from others before and after AVI CHAI sunsets.

*The Pardes Center for Jewish Educators.* Pardes offers a variety of new and established programs in Israel and North America to train, support, and inspire day school Jewish studies teachers and experiential educators. The Center combines Pardes's tested model for the study of Jewish texts within a diverse community with its experience in teacher training, professional development and the creation of professional networks. Its offerings range from half-day in-house seminars to the two-year Pardes Educators Program (PEP), a highly selective Master's Degree program for day school teachers of Jewish studies, which AVI CHAI founded about 15 years ago and continues to support. More recently, AVI CHAI joined the Jim Joseph Foundation to support the development of a new business plan that helped encourage the Jim Joseph Foundation to make a \$3.7 million grant to Pardes, which will provide for, among other things, five new employees on its development staff. As with the Jewish New Teacher Project, the capacity-building assistance provided by the two foundations has contributed substantially to strengthening Pardes's educational and resource development strategies, and thus its likelihood of success after the disappearance of AVI CHAI.

*Online and Blended Learning.* For about three years, AVI CHAI has been experimenting with the possible uses of online and blended learning technologies in Jewish day schools, to determine which practices produce the best results. This work has proceeded along three tracks: supporting the creation of new schools with a blended learning curricular model, working with established schools to help them adopt blended learning at their core, and fueling

the development of online Judaic studies, including support for Bar Ilan University's Lookstein Center, which is creating a virtual Jewish academy. It has developed grants and grantmaking partnerships that work with day schools to try a variety of approaches to digital learning in both Jewish and secular studies. The Foundation has also launched DigitalJLearning, which focuses on introducing blended learning to already-existing schools. This line of work was begun relatively recently and thus was conceived from the outset with an eye to AVI CHAI's sunset. It has been developed in partnership with other funders, including the Kohelet Foundation, Affordable Jewish Education Project and philanthropists or agencies in local communities. However, as a senior AVI CHAI staff member points out, the field "is new, and we are still playing the operator in a lot of ways — not with particular projects, necessarily, but with the field-building and the field-strategy creating."

### **Progress in Developing Funding Partnerships**

As of this writing, in the past three years of engaging in the quest for partners, AVI CHAI North America has partnered in co-creating approximately 15 initiatives, which have attracted funding from other foundations in the amount of about \$20 million. Indeed, as North America Executive Director Yossi Prager reported to the Board in 2014, in nine of the eleven new initiatives launched the year before, the Foundation was providing no more than 50 percent of their program costs. The most prominent co-funders, involved in multiple projects, have been the Jim Joseph and Kohelet Foundations. Other co-funders of particular projects are the Marcus Foundation, the Goodman Foundation, and the Maimonides Fund. In addition, the Crown Family Philanthropies have invested funds in a number of AVI CHAI grantees, and Affordable Jewish Education Project, as mentioned earlier, has joined in support of online and blended learning efforts.

One possible source of co-funding for Jewish day schools, thus far still mostly untapped, is the large number of local funders, including individual

donors and Jewish Federations, who support individual day schools in their own communities. Although the schools often benefit significantly from the national initiatives that AVI CHAI and its partners have developed and sustained, their local backers have not tended to view the national and international infrastructure of day school education as part of their philanthropy. Over the last year, AVI CHAI staff and Board members have been meeting with local funders in cities from coast to coast, documenting in each case the extent to which individual day schools benefit from such national programs, including participation of teachers and school administrators in professional development programs, their use of curricular materials, acceptance of loan funds, receipt of financial contributions through AVI CHAI's matching-grants program, and the like. While those efforts took a year or so to gain traction, in 2013 and 2014 some local donors have at least begun to discuss funding such national initiatives.

### **Remaining Challenges in North America**

Despite the Foundation's progress in recruiting national funding partners for its central day school infrastructure initiatives, many of them have not yet attracted enough new financial support to make their post-AVI CHAI sustainability likely. For example, considering that AVI CHAI is the major philanthropic supporter of day school administrative leadership training, and that its sunset in five years will extinguish that source of funding, alarm bells should be ringing in every city with day schools that need a continuing supply of skilled leaders. Nonetheless, grantees who carry out this training have struggled to meet the matching requirements attached to their AVI CHAI grants. If those requirements ultimately go unsatisfied, the Foundation will have to decide how to proceed: withhold scheduled payments when conditions aren't met, or waive some or all of the requirements. If the organizations are having such difficulties while AVI CHAI is still making grants, one cannot help but wonder how well they will fare when it is no longer around.

Another necessary search for funding partners, as yet unresolved, is in the area of interest-free loans for day schools and camps to build or expand physical facilities. AVI CHAI has made more than \$150 million in such loans to day schools since the late 1990s and \$27 million to overnight camps since 2006. But the Foundation made its final loans in 2014, leaving enough time for final repayments to be received before it closes in 2019. The result is a substantial decrease in the feasibility of construction projects that could significantly strengthen the field. AVI CHAI has been in discussions with other philanthropies that have expressed interest in continuing one or both of these lending programs.

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### PART III: PROGRAM UPDATES — ISRAEL

The main themes of this section are similar to those in North America: (a) a concerted effort to buttress the organizational strength, fundraising, and sustainability of major grantees, including some mergers and consolidations; (b) the forging of working relationships with other funders, particularly those willing to increase their support of key grantees; and (c) the selective pursuit of a few new initiatives while there is enough time to develop and establish them.

#### Jewish Renewal

A distinctive element of the program in Israel is its embrace of a field widely (though not universally) known as Jewish Renewal. As described by the Jewish Funders Network, Jewish Renewal comprises a wide range of organizations and programs offering Israeli Jews opportunities for study, cultural expression, clarification of their Jewish identity, spiritual exploration, and social action. Jewish Renewal encompasses a broad spectrum of activities, including text study, holiday celebrations, religious-secular encounters, and social activism, all based on a commitment to the values of pluralism, openness, and personal autonomy. One element of this field includes organizations and programs that aim at fostering knowledge about and organizing discussions of

Jewish texts, including ancient ones such as the Hebrew Bible, the Talmud, and commentaries by Jewish sages, as well as contemporary writings by Jewish and Zionist leaders and scholars. Those organizations often take the form of *batei midrash*, or houses of study, and they typically seek to attract Jewish adults of all ages and of all ethnic, religious, and non-religious backgrounds to participate in facilitated group discussions of various texts often organized by substantive themes relevant to life in Israel today. Some employ the traditional *chavruta*, pairs of discussants, while others work with larger groups. Some focus on attracting both secular and religious participants to the same program, and some seek out particular segments of the population, such as professionals in finance, law, medicine, and other professions. The mission of all of them is to raise the level of knowledge about Jewish texts, history, religion, and culture.

AVI CHAI is recognized in Israel as a key source of support for Jewish Renewal programs and, indeed, for helping to create or popularize the idea of the field itself. In recent years, the Foundation has pursued a growing number of partnerships with other funders that share an interest in the field, including the Posen Foundation, the Nadav Foundation, the Jewish Agency, the New York UJA-Jewish Federation, other U.S. Jewish Federations, and the Alliance Israélite Universelle/Kol Yisroel Chaverim.

To expand philanthropy in Israel, particularly in support of Jewish Renewal, AVI CHAI created the *Pseifas Matching Grant Program*, a joint initiative with the New York Federation and the Jewish Funders Network Israel. In this partnership, AVI CHAI and the Federation each matched new donor gifts to Israeli Jewish Renewal organizations up to a specified amount. But after two iterations that drew a greater-than-expected response, the initiative still had not catalyzed any collective effort among funders to raise and give significant money to the field of Jewish Renewal per se. No further round of Pseifas is planned at present, but AVI CHAI and the Jewish Funders Network have begun a series of programs in which philanthropists are invited to learn and talk about the field and its needs.



Another approach to raising donors' awareness of and enthusiasm for Jewish Renewal has been the publication of "The AVI CHAI Calling Card," describing the Foundation's range of activities in Israel. A grant to the Jewish Funders Network has also made possible the publication of the "Greenbook," a guidebook aimed at philanthropists specifically focused on Jewish Renewal in Israel. However, it is mostly a descriptive publication meant as a tool for discussion and not marketing, and it does not spotlight any individual organizations as possible grantees.

### Managing a Careful Exit

The process of gradually bringing long grant relationships to a productive end has been under way in Israel for at least five years, and for some grantees the process is now over. However, as the number of its grantees has declined, AVI CHAI has increasingly focused on those that are of greatest relevance to its program goals, and it has continued providing capacity-building and other support to raise their chances of carrying on. These are some examples:

*Tzav Pius.* Dating to the mid-1990s, this AVI CHAI initiative aims at bringing all Israelis together across the religious-secular divide. It began as an in-house project of the Foundation but has since been spun off as an independent charitable organization with its own governing board. By 2016 it is expected to have raised half its budget from other sources; otherwise AVI CHAI will begin winding down its support. To help Tzav Pius meet that goal, the Foundation has provided money to hire a fundraiser plus ongoing consultative assistance. However, it is still too soon to estimate the odds of success.

*Piyut Website.* This was originally created as an independent website devoted to the rich body of *piyutim*, liturgical poetic music from the various countries and societies where Jews have lived over the ages. The site has been hosted at the Snunit Center for the Advancement of Web-Based Learning, part of the Hebrew University of

Jerusalem. With AVI CHAI support, Snunit has entered into a joint venture with the Israel National Library to provide a permanent home for the site and to allow it to expand and promote its content.

*Gesher Film Fund Partnership.* According to the Gesher web site, "For more than two decades, The Gesher Multicultural Film Fund and the AVI CHAI Foundation have partnered in funding and production of over 500 broadcast hours of cinema and television, including award winning feature films, drama series and documentaries."<sup>3</sup> Under a partnership agreement signed in 2014, Gesher will provide a 50 percent match to AVI CHAI investments in their joint film and TV productions, and will continue its contributions at the same level for another seven years after AVI CHAI's sunset to complete its match with AVI CHAI. The partnership has a board of directors that includes four members of AVI CHAI's current film and TV steering committee alongside two representatives of Gesher. The result is both an increase in funding for the Foundation's media efforts and an extended life expectancy.

*Nitzanim.* This recent initiative aims to create a country-wide network of partnerships with local and regional municipal governments that promote Jewish Renewal in their communities. Like Tzav Pius, it began as an in-house project, but it became independent in 2014 with its own board and executive director. An evaluation in three localities was highly positive. AVI CHAI is providing five-sixths of the program support for the network hub operations, but that figure is planned to decline steadily over the coming years. The Foundation is also providing capacity-building support, including the seeding of a fundraiser for the central hub organization. Local authorities in the five current community partnerships provide a combination of funds and in-kind contributions that match or exceed AVI CHAI's contributions. The New York Federation and other funders are also providing some support for the local sites.

<sup>3</sup> Gesher USA website, "Gesher Multicultural Film Fund" page, at <http://www.gesherusa.org/program/Gesher-Multicultural-Film-Fund#1>, accessed 31 March 2015.

But funding for the national network has proven much harder to raise, and as AVI CHAI support gradually diminishes, that gap will need to be filled.

*Tzohar.* As mentioned near the beginning of this report, Tzohar has already demonstrated exceptional success in fundraising and is now financially independent of AVI CHAI, which was instrumental in establishing the program and supporting it for 15 years. Tzohar began by training rabbis to facilitate and conduct marriages of secular Israeli couples in compliance with Jewish law. Tzohar-trained rabbis now conduct over 2,000 such marriages a year. An act of Parliament, widely known as “the Tzohar Law,” has eased the way for couples to have a Jewish wedding without satisfying all of the restrictions imposed by Israel’s State Orthodox Rabbinate. More broadly, the organization also aims to revitalize the role of the rabbinate in Israeli society by engaging in a meaningful dialogue with the secular world.

*Mimizrach Shemesh, Morasha, and Ma’arag.* In 2014, AVI CHAI entered into an arrangement with Alliance Israélite Universelle/Kol Yisroel Chaverim, known in Israel by the Hebrew acronym KIAH, to fund these three longtime Jewish Renewal organizations as divisions within KIAH. Mimizrach Shemesh, a *beit midrash* focused on social action, and Morasha, which promotes a vision of Judaism with social values at its core, were both already affiliated with KIAH at the time they began to receive support from AVI CHAI. Now all three are expected to receive financial support from KIAH, with additional funding from the Rashi Foundation and others. The addition of Ma’arag, which promotes excellence in Jewish, social, and Zionist education, is still in the early joint operating stage. Nonetheless, the arrangement appears to be highly promising for the future of all three programs.

*Alma.* This 20-year-old Jewish Renewal organization, which AVI CHAI has supported since its inception, underwent a leadership change when its founding director, Ruth Calderon, was elected to the Knesset in 2012. The Foundation has since provided capacity-building support

during the transition and aided in the recruiting and funding of a new resource-development director in 2014 for three years. Because of the leadership changes and the effect of AVI CHAI’s exit on Alma’s financial picture, its march toward sustainability remains a work in progress.

*Elul.* Another of the Jewish Renewal *batei midrash*, Elul was founded in 1989 and has received AVI CHAI support for the past 20 years. A leadership transition in 2013 and a possible merger with another Jewish Renewal organization have posed both opportunities and challenges, which AVI CHAI has been helping to address. The Foundation has encouraged exploration of a merger, but with uncertain prospects of success. Once the outcome of those negotiations is known, Elul’s directions for the future will be clearer.

*Kolot.* Located in Tel Aviv, the 17-year-old Kolot has become one of the most successful of the Jewish Renewal *batei midrash*. Its broad appeal to young professionals and rising business leaders has contributed to an impressive record of fundraising. As a result, Kolot has achieved sustainability after years of substantial priming by AVI CHAI.

*She’arim.* The primary mission of this relatively new organization, established by AVI CHAI in partnership with the Posen Foundation and the UJA-Federation of New York, is to advocate for government support of Israel’s Jewish Renewal institutions. It was directed for a time by a former AVI CHAI staff member and has since undergone a leadership transition. It is too early to determine She’arim’s longer-term prospects, but it is showing signs of strength.

*Panim.* AVI CHAI has supported this umbrella organization for approximately 50 Jewish Renewal institutions intermittently for several years. Panim serves as the collective voice of key organizations in the field, as well as a vehicle for building their capacity and promoting cross-organizational synergies. But its role is still evolving, and AVI CHAI, together with the Posen Foundation and the UJA-Federation of New York, are monitoring it closely.

*The Council of Mechinot.* A *mechina* (plural: *mechinot*) provides a year of preparatory training for young people before they enter the Israel Defense Forces. It combines the study of Judaism and Zionism with community service, leadership development, and pre-army training. In recent years AVI CHAI has sought to strengthen the umbrella organization with capacity-building efforts and training programs for counselors. The capacity building is expected to expand to include support for pedagogic planning, organizational operations, and alumni outreach.

Some initiatives in Israel are newer, and AVI CHAI is carefully nurturing them with program grants and capacity-building support, including recruitment of longer-term funders from the beginning, to ease the shock of the Foundation's departure in a few years. One example is *Sh'nat Sherut Shinshinui*, the gap-year community service program between high school and military service. AVI CHAI's major goal in ramping up *Sh'nat Sherut* is to create a new norm for Jewish study as an intrinsic component of that community service program, and it has joined with the Jewish Agency in backing that effort.

Creating institutions from scratch is nothing new for AVI CHAI, but its method of doing so has changed profoundly in these concluding years. As one manager described it, the emphasis now, when launching a new effort, is not only on the quality of the program content, but on "all the various dimensions that would ideally promise sustainability as a program and as an organization. And we are insisting on having significant partners in such programs from the outset. ... Today, we are willing to enter only into new initiatives that have a strategic horizon, that give promise of long-term sustainability. That is a criterion that we didn't often use before."

### **Successes Thus Far**

*Creating a field.* AVI CHAI's long history of seeding and nurturing the field of Jewish Renewal in Israel stands as a significant achievement. As a Trustee in Israel points out, it was the Foundation's willingness

to make large grants over many years that enabled it to fuel a generation of leadership and create a cohesive field of strong organizations from what had been just a smattering of individual efforts.

*Raising standards in philanthropy.* Perhaps AVI CHAI's greatest accomplishment in the field of Israel's philanthropic practices has been its success in pioneering a new standard for professionalism in decision-making among philanthropic foundations. The head of one partner foundation, for example, noted the experience and expertise of AVI CHAI's staff and concluded that "respect for their judgment, as well as their deep understanding of communities and organizational dynamics, is widespread in Israel's nonprofit world, which gives other foundations and philanthropists an added incentive to follow AVI CHAI's lead."

*Demonstrating the power of large and multi-year grants.* Other examples that have helped raise the bar in Israeli philanthropy, according to an AVI CHAI Trustee, have been the Foundation's practice of making much larger grants to organizations than most other Israeli foundations and individual philanthropists do, and its recent practice of making multiple-year grant commitments instead of a succession of one-year grants. The heads of several nonprofit organizations in Israel also cite AVI CHAI's willingness to give organizations enough support to get new initiatives off and running — not only large grants but, where needed, the capacity-building consulting to help grantees develop and implement sound strategies and responsible business planning. Some have described this as a major, possibly precedent-setting, contribution to the field of Israeli philanthropy.

*Improving nonprofit management.* In exchange for its large and multi-year grants, and as a direct consequence of its focus on capacity-building and sustainability, AVI CHAI has trained a spotlight on the management quality of nonprofit organizations and their accountability, both for financial probity and for results. The Foundation has provided

consultants, as well as its own staff expertise, to help grantees develop sound business plans with accurate forecasting of revenues and expenses. Its relationship with grantees accustomed them to answering tough questions about their operations and effectiveness, which, in turn, persistently raised their expectations of their own effectiveness and professionalism. In seeking funding partners to join in the support of its grantees, AVI CHAI has made a point of looking for funders that are similarly dedicated to effectiveness, accountability, evaluation, and continually rising standards of excellence.

### Challenges Ahead

*The changing role of program officers.* “Ten years ago,” a senior staff member recalls, “program officers were focused on content: on Judaism, Jewish Renewal, and Jewish education. In the last two years, program officers are no longer dealing only with content. They need to deal with issues of organization, how to manage, ... organizational learning, organizational culture, conflicts in organizations, how to deal with the budget, how to deal with for-profit corporations, with partners.” The shift from content expertise to management expertise may have been jarring for some staff members, but it appears to be taking root. Still, the same staff member adds that “we didn’t do enough to prepare the program officers for that profound change. If we do capacity-building with our grantees, we should do it also with ourselves!”

*Evaluation and knowledge-building.* As grantees face increasing pressure to strengthen their management and fundraising and to prepare for AVI CHAI’s departure — including, for some, the added stress of mergers — the Foundation has been understandably cautious about subjecting them to the added burden of rigorous evaluations of their work. Nonetheless, during the few remaining years while AVI CHAI is still operating and has the staff to oversee credible evaluations, building an evidence-based record of important initiatives and gauging their impact is a critical component of the Foundation’s legacy and deserves to be a high priority.

*Recruiting partners in Israel, where AVI CHAI’s approach to grantmaking is not yet widespread.* It has been challenging to find funding partners who are willing to join AVI CHAI in seeding new initiatives in Israel and sustaining current ones. But even more difficult has been the search for funders who value and will invest in the infrastructure of organizations and fields — the less visible, and often less exciting, machinery by which visions are turned into lasting programs and institutions. An example mentioned earlier is Nitzanim, where funders have been enthusiastic about local initiatives but reluctant to support the umbrella organizations responsible for developing and strengthening the field. The effort continues, and there is time yet for accelerating the progress.

### Beit AVI CHAI

After a leadership transition in 2013, the new director of Beit AVI CHAI, David Rozenson, is managing both to build on the institution’s strong performance under his predecessor and to introduce some changes to pursue the mission in fresh ways. Besides making some changes to the use of space and upgrades to the gallery and library furnishings, he has introduced several discussion groups and expanded use of the Internet, including major additions to the website. He has also launched regular programs involving high school students and teachers, municipal workers in Jerusalem, and IDF members, in hopes that “in five, seven, ten years, the kind of decisions that young people will make then will be different because of the programs and content that they received at BAC.” An internal study in 2014 identified a number of gaps in Jerusalem’s cultural environment that might constitute niche opportunities for further additions to Beit AVI CHAI’s programming.

Unlike other areas of AVI CHAI programming, plans for Beit AVI CHAI, which as noted above will continue to exist after the Foundation ceases grantmaking, extend far beyond the Foundation’s closure. Consequently, program development continues to be expansive and exploratory, with

broad horizons. “Not every program is terrific,” Mr. Rozenson acknowledges. “There is a tremendous amount of work that still needs to be done. We’re far from being anywhere near ‘there,’ but it’s thrilling work, it’s difficult work. Understanding the Israeli environment and society is something that will take a while to be able to do.”

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#### **PART IV: PROGRAM UPDATE — THE FORMER SOVIET UNION**

Like all AVI CHAI programs, the one in the former Soviet Union (FSU) is gradually preparing to close down, but as the smallest of the three programs, this was the first to reach the point of undertaking nothing new at all. When the program’s longtime director, David Rozenson, left to take charge of Beit AVI CHAI, his associate and senior coordinator, Dr. Svetlana Busygina, became responsible for the gradual ending of operations.

The program’s two signature literary websites, *Booknik* and *Family Booknik*, are the two major online sources on Jewish and Israeli themes in Russian. They provide all kinds of information about literature, news, culture, music, and humor, as well as everything else that might be of interest to a mostly unaffiliated Russian-speaking Jewish audience worldwide. At present, those two websites attract more than 800,000 visitors monthly, a significant increase over 2013. At this point, AVI CHAI is the dominant source of the revenues supporting both sites, though at least one other foundation has supported some AVI CHAI projects in the FSU, including a new digital initiative, and may be interested in doing more.

Two AVI CHAI programs that sponsor live cultural activities, *Eshkol* and *Eshkolot*, have likewise expanded their audience and attracted some outside funding. The first of these, based in Moscow, sponsors cultural events aimed at young professionals who do not frequent traditional Jewish institutions, but who are increasingly attracted to Jewish cultural events when offered in popular urban gathering places. The second,

*Eshkolot*, is the edutainment project within *Eshkol*. It organizes major lectures that attract several hundred people each, and follows them up with two or three days of a mini-series of discussions that will in turn attract 20 to 30 participants to pursue the lecture topic further. In addition, *Eshkolot* has begun sponsoring four-day “festivals” that focus on Jewish texts about a variety of subjects. In June 2014, it sponsored its first Israel festival on “The Future of Jerusalem,” which attracted international funding and was so popular that participants were willing to pay their own way to Israel, along with a conference fee, to participate.

Other efforts have performed strongly in attracting outside support. A series of books of Jewish interest, published in Russian, has always been able to attract the support of individual philanthropists. Funding partners have also joined AVI CHAI in supporting Jewish day school education in the FSU and promotion of the *TaL AM* Jewish studies curricula, as well as contributing to *Sefer*, which offers courses and conferences in Jewish studies for scholars, young researchers, and students from across the FSU. *Departments of Jewish Studies* at Moscow State University and St. Petersburg State University have also done well in attracting grants. The two departments have also expanded their enrollment markedly.

The progress that has been made in attracting partners for the FSU Program up to this point is impressive, and there is reason to hope, even if not as yet to believe, that many of the existing partners will pick up a greater share of the costs of these programs as AVI CHAI’s support diminishes.

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#### **PART V: CONCLUSION**

“We’re really engaged in two parallel kinds of efforts,” Israel Executive Director Eli Silver said in a recent interview. “One is that we are shepherding the wind-down of AVI CHAI funding for multiple projects that we’ve been working with and investing in for many years, and all that that entails in terms of capacity-building work. And then, parallel to that, there are new start-up initiatives that we

are ramping up in the hope that they will attain a position of sustainability by 2020. I think it is actually a stimulating kind of combination.”

Although Dr. Silver was referring specifically to Foundation activities in Israel, he provides a fair synopsis of all of AVI CHAI’s activity internationally as it began its final five years of grantmaking. The three elements Dr. Silver touches on — winding down current projects, building capacity for organizations to sustain themselves post-AVI CHAI, and carefully launching new initiatives — are the underlying themes of nearly all interviews with Foundation staff and Trustees as they reflect on the challenges ahead. A fourth consistent theme — forging partnerships with other funders committed to AVI CHAI’s fields of interest and willing to carry on supporting them — is implicit in all the other three.

Of these three, the first two (winding down and sustaining) are by now solidly established lines of activity, with clear timelines, expectations about results, and assigned responsibilities. The third, the question of new initiatives, is somewhat less settled, for at least two reasons. First, the ability to pursue new opportunities will depend partly on how much money will actually become available for them. Some new initiatives already fit into current budgets, but it is conceivable that more resources may surface, perhaps through re-programming of previously committed money. A second source of uncertainty is that any new initiative would have to be of a special kind: It would have to be something that can be conceived, launched, and made reasonably sustainable within five years or fewer.

Discussions are under way, as this report is being finalized, about the opportunities and risks involved in pursuing new business at this stage. One Trustee, taking an expansive view of the possibilities in the remaining years, argues that, because of the availability of Beit AVI CHAI as a residual grantee, “we are not compelled to find wise ways to plan final grants that will advance the most important goals that remain priorities for the grantmaking in North America and Israel. However, ... I believe that more effort should be devoted now to choosing the highest priorities and readying possible program models” for late-stage initiatives with high upside potential. It would have been better to have thought about such opportunities some years ago, she believes. But at this point, “It’s too late to do it early.”

The shape of final grantmaking at a foundation in its final years is a subject of lively debate among the few institutions that are operating on a limited life and are close to their end dates. Some believe that an orderly, well-managed conclusion, ending with stable, sustainable grantees and a well-documented body of learning, is a more-than-sufficient challenge for an institution preparing to close its doors. Others believe that foundations should be adventurous risk-takers almost to their last day, and that it is better to end with cymbals crashing than with a gentle diminuendo. Both views have merits, and AVI CHAI could take either course with distinction. Thus far, it has concentrated its attention on the first approach, a steady wind-down, though the Board could yet opt for a final round of new initiatives. The time is growing short for deciding whether to pursue that second option, and, if it does, how to complete it with the greatest possible body of achievement.