Dear Friends,

As our lives, personally and professionally, return to a new normal in Israel and still contend with ongoing restrictions in North America, I wanted to write to you again and update you on the work of the Institute and plans for our immediate future.

We are one Institute, spanning two continents, and as a result, have very different experiences and needs. In “normal” times this is a source of our strength and innovation. During COVID 19, we need to recognize that our experiences in Israel and North America over the last 2 months have been very different. All of us - together with most of humanity - initially experienced significant fear; fear of danger, fear of death, fear of the unknown, fear of loss of control. In Israel, however, for most of us, this fear was by and large replaced by anxiety and concern, and the ongoing struggle to handle the significant challenges of quarantine. That has not been the case in North America. In particular in New York, our colleagues shared all of the same sentiments and difficulties experienced in Israel, but with the added and continued dimension of fear. Their ability to continue to work and function under these conditions is worthy of tremendous admiration and respect.

In Israel, and hopefully soon in North America, many of the work-related restrictions are gradually being lifted, and our children are also beginning to go to school – at least some of time. While we have successfully moved most of our work on-line, and will continue to function extensively in this way, we have missed to energy and value that comes with being together. As a result, we have decided to begin to require a managed and staggered return to work in person here in Jerusalem. Exact instructions as to who and how, have been forwarded to the Israeli staff this week.

We have learned many things about ourselves and our work over these last few months. Many of these lessons will continue to accompany us and shape our individual, communal and work environment and culture. There is no doubt that digital platforms will have an increasingly significant role in our work from now on. They will open up new opportunities, methodologies and audiences.

We are beginning to think extensively about this, and plan for our future. That said, interpersonal relationships both with colleagues and students will remain core to our work. I look forward to seeing many of you in person over the coming weeks and to having you see each other in new and old ways.

In the meantime, there are still so many unknowns. We don’t know when our students, outside of the High Schools, will be able to join us here in Jerusalem, New York, or any of our cities - perhaps not until the fall. Unfortunately, we have had to cancel all our Israeli based North American summer programs. At the same time, we are planning unique summer alternative with several weeks of special and rich on-line programs for lay leaders and rabbis.

On the programmatic front, I want to share with you one important new initiative. While the immediate dangers of Corona may be passing, its effect on our lives - physically, psychologically, spiritually, morally and politically – will be with us for a long time. As the Rambam has taught us, it is forbidden to waste any calamity or tragedy. Each offers and opens up opportunities to grow and learn. Our world will be in need of Torah, new ways of thinking about humanity, Judaism, Israel and North American Jewish life. It is our role as an Institute to provide some of that Torah. To that end, all fellows, faculty and teachers are beings asked to help articulate questions and issues, and the Institute, as a whole, will be marshalling its resources to develop ideas, curriculum, classes and writing that will be relevant for this time.

I know many of you have questions and concerns about the future – the wellbeing of the Institute, as well as your jobs, salaries, grants and compensation - and I would like to lay out to you where we are and what we know.

These are very challenging times. The Executive Committee’s first decision, at the beginning of the crisis, was to remove any and all immediate job and salary uncertainty, allowing us all to spend whatever limited resources we had on coping, adjusting and functioning within the crisis environment. At the same time, over the last two months, we have been working extensively to assess the risks and financial consequences that COVID - 19 will have on our institutional sustainability, and to developing strategies on how best to respond and plan for the future.

I want to share with you both where we are, and what we are planning. Before getting into specifics, while we, like most other non-profits, have been adversely affected, we have the ability to implement measures that will ensure the wellbeing of the Institute, morally, financially and culturally, while avoiding extreme hardship to our community as a whole. That said, some hardship cannot be avoided.

The situation as we know it now, is as follows.

The overall budget of the Institute in 2020 is approximately $33,000,000. In order to balance our budget, we had a fundraising objective of $2,300,000 over and above existing commitments, as we do every year. We were well on our way to meet this objective, however, the COVID 19 crisis both caused a reduction in expected donations, and effectively removed our ability to raise new monies in 2020. In addition, after combing every line of pledged contributions, we identified a degree of vulnerability in our ability to raise an additional $800,000. In order to balance our budget, we have to make up the shortfall of $2,300,000 and develop contingency plans for covering the possible loss of $800,000.

Apart from High School tuition, we need to raise our total budget every year from donations and government allocations. Maintaining a balanced budget has become an integral part of our institutional culture and identity. One cannot aspire for excellence and leadership in one area, while functioning in a mediocre and irresponsible manner in another. As was the case in 2008, so too in 2020, our responsibility and mandate are to function responsibility and within our means.

That said, the current level of financial and psychological uncertainties, coupled with the dramatic increase in unemployment, requires of us to be extra careful in protecting you, our workers. We cannot teach values and ethics, and not function internally by these same teachings. Both responsibilities have guided the professional leadership of the Institute in our planning and deliberations.

What are we planning?

We need to develop two responses – one for the immediate shortfall of $2,300,000 and one for the additional potential loss of $800,000. The $2,300,000 is definite and immediate, while the $800,000 is possible, and will only be known during the 4th quarter of 2020.

Our plan to respond to this challenge is divided into stages in the hopes that our early and less painful interventions will prevent the need for more difficult measures:

**Stage 1** involves and immediate decrease in Institute expenses to the sum of $1,800,000. This decrease does not entail any salary reductions. It will be achieved by savings which we will incur through reduced activities resulting from COVID, a freeze on almost all hires and all salary increases, a hard stop on all new expenditures that are not essential for the various programs, a decrease in expenditures wherever possible, and a minor amount of personnel changes.

It will not be simple to reach our goal of $1,800,000 without salary cuts. To do so, every program will need to be extremely careful and responsible with its budget and to identify possible savings were ever they can. Shiri and Rachel continue to be in regular contact with every Center and Program director to ensure that we reach and even surpass this goal.

There remains the issue of the additional $500,000 shortfall and putting in place contingency plans for the potential shortfall of $800,000.

**Stage 2** involves a special Board of Directors campaign to raise $500,000. $200,000 of this has already been raised. This campaign has already been approved by the Finance Committee and will be approved by the Board this week. By the end of May, we will know the exact amount that was raised.

**Stage 3** involves the US government Paycheck Protection Plan, which the American staff has worked tirelessness to receive. This will provide the Institute with up to $900,000 in funds. We should know if we will receive these funds, and the amount, over the next week. Stages 1 & 2 will provide us with the protection we need at this time.

**Stage 4**: In the event that Stage 2 & 3 do not achieve their goals, a donor has already agreed to reallocate $500,000 of their designated funds to cover the shortfall. In addition, we have at our disposal an emergency reserve fund of $350,000. Stage 3 - which involves drawing on funds already in our account - is able to cover the current projected potential shortfall.

**Stage 5**: In the event that additional financial difficulties arise, and only then, we will be forced to consider salary cuts and additional staff reductions. If we are forced to do so, we are considering a graded reduction from 0% - 10% dependent on the salary and on whether the Institute is one’s primary source of income. These measures will provide an additional $500,000 in savings.

Our hope is that we have identified and put in place adequate and responsible plans to weather the current difficulties, and that we have provided both for the future wellbeing of the Institute as well as your legitimate future security needs. In any event, I will keep you updated as we receive new information.

In the meantime, we are continuing to do the work for which we exist as an Institution and our plan is not merely to survive the upcoming months, but to grow and increase our ability to continue to positively shape the future of Jewish and Israeli life in Israel and around the world.

I apologize for all the uncertainty that you are and will experience. I hope that our measures will mitigate much of it.

With much appreciation for all that you have and continue to do.

Donniel