of the communities. These studies have been conducted by Federation staff with the assistance of interviewers who conducted the demographic survey by interviewing a randomly selected sample by telephone. The cost has been relatively modest. (Approximately $500 per study).

It is not the intent of this paper to identify the major findings, implications and recommendations of each study.* The intent of this article is to set forth the conceptual approach utilized. From the viewpoint of Federation planners, this approach has produced the following general results:

> The various communal agencies and Federation are enabled in their community planning. Since the perspective of these reports involves a total view of the community, cutting across the particular perspectives of agencies organized interests, it has allowed for efforts to engage in greater coordination and cooperation among agencies in providing new services to the communities as well as inter-agency activity in the provision of already existing programs and services.
>
> The reports have had an impact upon the local Jewish communities with a comprehensive, objective picture of the community and by supplying previously unavailable basic facts about its Jewish population. The reports have served as a useful framework in developing communication between Federation and local community institutions, such as synagogues.
>
> The reports have provided lay leadership and professionals with a better understanding of the dynamics of community change and the heterogeneous nature of the Chicago Jewish metropolitan community. In our first study of a changing urban Jewish community, we encountered many shibboleths regarding community change (e.g. every Jewish community lasts only a decade) and the reasons for change (e.g. the "push" factor from other ethnic groups moving into the community). We addressed these issues directly, pointing out that: (a) no community is immune to change, (b) community change is in itself not synonymous with instability and disintegration and (c) there are many factors both internal and external to the local community which affect change. Our subsequent community studies confirmed the heterogeneous nature of the metropolitan Jewish community, demonstrating that even adjacent communities were often different in population, institutions, resources and needs.

The Jewish Federation of Metropolitan Chicago intends to continue to utilize the micro-perspective approach to planning. In so doing we recognize that these community-based reports are not a substitute for a comprehensive cross-community approach for planning programs and allocating resources but rather as a necessary adjunct to enable a large organization to meet the special needs of persons living within their respective communities.

* Copies are available upon mail request.

New Models of Service Delivery*

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This "modest proposal" was stimulated by the urgent need to look at different ways of delivering Jewish communal services prompted by shrinking dollars, overlapping agency functions and the ever present need to seek improved quality of services.

Dollars, of course, are not the only motivating factor in seeking new ways to provide Jewish communal services. Certainly, of equal significance are the needs of the Jewish population whom we are commissioned to serve. Resources, i.e., dollars and needs, are, therefore, two of the major factors to be considered in the redesign of a service delivery system. Unfortunately, a third factor usually enters into the decision-making process on this subject. Agency self-preservation, invariably becomes of primary importance, to the point where restructuring becomes a struggle between the older but threatened agencies of the community and the social planning forces which are striving for changes based on the realities of people's needs for services and the dollars available to provide those services.

Unlike Jonathan Swift's tongue in cheek essay entitled "A Modest Proposal" wherein he recommends the resolution of the problems of the Irish poor in the 18th century by having them sell their babies as fodder for the aristocratic English,[1] the modest proposal presented here is not satirical, but rather is based on four of the characteristic failings of our Jewish communal service delivery system. These are identified by Gilbert and Specht as fragmentation, discontinuity, unaccountability and inaccessibility.[2] The counter to these are described by Gilbert and Specht as integrated, continuous, accessible, and accountable.[3]

Thirteen years ago, Bernard Warach, then General Director of the Associated Y's of Greater New York, presented at this same annual meeting of June, 1965, his call for a "Comprehensive Jewish Community Center: A Prospectus for the Provision of Integrated Jewish Communal Services." Not surprisingly, Warach noted at that time that people in need of services were subjected to "an increasing number of specialized diverse services . . . (which have) created confusion, disjointedness and limited accessibility . . ."[4] Warach's article focuses on the "comprehensive community center" as a core agency in the provision of traditional casework and group work Jewish communal services. It is time, however, to take into consideration the entire range of services provided by our Jewish community. These include not only services related to mental health, physical health, economics and family and child development, but also Jewish education, institutional care, hospital care and housing.

The Plan

To achieve a service delivery system designed to meet the standards identified by Gilbert and Specht, namely integrated, continuous, accessible and accountable, it is necessary as a first step to establish *three* distinct functional agencies within each local Jewish community federation system. These

* Presented at a Workshop in a Forum on "Economic Concerns in Jewish Communal Service," Annual Meeting of the Conference of Jewish Communal Service, Grossinger's, New York, May, 1978.

[1] Swift, Jonathan. *A Modest Proposal.* College Survey of English Literature. Harcourt Brace & Co., N.Y., 1951.

[2] Neil Gilbert and Harry Specht. *Dimensions of Social Welfare Policy.* New York: Prentice Hall, Inc., 1974. p. 109.

[3] *Ibid.* p. 110.

[4] Bernard Warach. *Jounal of Jewish Communal Service* (Dec. 1965), p. 156.

three agencies would provide the services which are common to all of the metropolitan, most of the large and many of the small and intermediate cities comprising our Jewish communal service network in North America.

Agency #1

An examination of the traditional agencies of our community would find us slotting within the Jewish comprehensive community services center the services of such existing traditional agencies as Centers, family services, Hillels, vocational services and Federation-supported camping. Functional activities which would be centralized within the services center would include individual and group family counseling, socialization and recreation, physical education, day care, child welfare, camping, vocational guidance and training, health education, screening and referral, family life education, refugee resettlement, public affairs involvement. Today, in most metropolitan centers, the social services described above encompass a minimum of six different agencies while in intermediate or small cities, these same services are offered by at least three agencies, or not offered at all. The Jewish comprehensive community services center provides an opportunity for the balancing of treatment with prevention in mental health in a setting which has the potential to be available to all.

Agency #2

The second agency in this plan would be known as the Jewish hospital home and would include homes for the aged, convalescent homes and hospitals where these are currently within a Jewish federation system. Included in the functions of these agencies would be primary medical care, rehabilitation, outpatient services and day-care programs for the very frail elderly in need of intensive medical care.

Agency #3

The third and last agency in this mode would be the Jewish education coordinating bureau. This agency would serve the communal schools, the congregational schools, day schools and teachers' colleges. Its functional area would include the teaching of Hebrew, Jewish history and Jewish tradition. Other functional responsibilities are: accreditation of Jewish communal and day schools, coordination of transportation, adult Jewish education, consultation and research.

Federation Function

Fund-raising, of course, is the essential activity of the Federation. Without the financial means to provide the services, no agency will be able to maintain its existence and provide these necessary services. With fund-raising comes budgeting and allocation.

The coordination of social planning with budget allocation in the Federation internal system is vital if responsible decisions on how to maximize the available dollars is to be achieved.

The creation of this structure of three autonomous but federated agencies (not quite the contradiction which may be implied) implementing the specific service programs also leaves Federation with the responsibility for general planning and direction in order to assure that all segments and all needs of the community are met.

With only three agencies in the Federation system, the budget process, even under the new forms of modified budgeting and allocation enables decisions to become greatly simplified since the self-determined priorities of the agencies will assure that the dollars spent are in the best interests of the total community. With only three service agencies in Federation the inter-agency competition for the limited dollars can be greatly reduced.

In some communities, there are as many as 22 different agencies, each competing for a share of a fund that is less than necessary to meet all of their needs. Each agency spends thousands of hours of staff and lay leadership time in order to put the best possible foot forward in presenting *its* needs to a Federation budget allocation committee.

This time and energy should be put to more productive use, serving the needs of members and clients. In a sense, the current system feeds into and encourages agencies to engage in the self preservation struggle. Pitting agencies with overlapping and fragmented services against each other contributes to wasted energy and, in the end, badly spent dollars.

This brief description of the three-agency service delivery system has thus far not taken into account one of the most difficult problems of all, namely, the handling of established traditions and vested interests held closely by both lay and professional leadership. The grip invariably tightens when an agency's future is jeopardized. Experience and history have taught us that agency boards do not willingly go out of business. All of us are familiar with the March of Dimes, an organization which, having pretty much taken care of polio, has now diverted its interests and concern with birth defects.

The well-intentioned and successful efforts of our communities to create the intricate social service systems that they have must not be dismissed cavalierly in the effort to establish systems which on the surface completely denies the preceding history. Therefore, the process by which such changes could be affected needs to be very carefully and deliberately planned so as to assure support by the majority of leadership in each community.

It is here that the professional leadership in Jewish communal service has a major role to play. If they are truly committed to the concept of Jewish communal service, then it is necessary for them to move beyond the provincial protection of individual agencies and take on a communal perspective. Tradition is not sacrosanct; personal interest and subjective attitude must be secondary to the more significant need for a Jewish communal service delivery system which is not fragmented.

Professionals in Jewish communal service are in a strong position to exercise influence in this area. The shaping of policy for communities is a vital part of their professional responsibility and their obligation to service.

Fiscal Management — A New Priority for the Future*

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This paper . . . offers the simple premise that sound fiscal management begins with a commitment to sound administrative leadership stemming from the top professional of any agency and flowing to all staff levels.

If one had to mark the date of the radical changes in budgeting and administrative demands on our agencies, it would have to be the Arab Oil Embargo of 1973. The months and years that followed were brutal. Accelerated inflation, including huge increases in the costs of heating, cooling and lighting our physical facilities and similar inflationary infections for our clients compelled them either to retreat from services, sacrifice to continue affiliations, or demand increased scholarship assistance. We began to hurt.

We sharpened our pencils, slashed at our budgets and began the new era. The glory years were over.

Parallel to these economic reversals, the evolutionary changes within our lay leadership became evident. We had been accustomed to the benevolent lay leader, usually a self-made, self-educated individual who embraced our professionals as we enabled him to fulfill his philanthropic desires. Today our lay leaders are different. They are college-educated, sophisticated and technically elite. They demand sound administration and fiscal management. Those professionals who fail to

have these assets are in effect damaging the image of the Jewish communal professional. They are not only jeopardizing their own careers but give our profession the image of cloistered people, living in an unreal world. They begin to perceive our profession as not being a serious career. Unfortunately, too many of our colleagues have seen tragic culminations to their careers for not paying attention to the development of their administrative skills.

This paper, therefore, offers the simple premise that sound fiscal management begins with a commitment to sound administrative leadership stemming from the top professional of any agency and flowing to all staff levels.

Why Do Costs Increase?

Inflation — The role of inflation as a factor contributing to increased expenditures is evidenced by the steady rise in general price levels. Thus, increased expenditures can be accounted for by a decrease in the purchasing power of the dollar.

Manpower and Labor Costs — The increasing number of services developed often creates a greater need for manpower. In addition, labor costs increase because of a shorter work week, higher average pay, increases in the average level of skill, and an increase in the proportion of personnel to client.

Population Changes and Utilization — Every shift in age composition necessitates a change in budget conceptions. Thus, the increase of persons 65 and over from 8.1% of the total population in 1950 to 9.8% in 1970 has significant budgetary implications.

New Services — The recreational revolution and societal pressures demand new services. These new services will increase the cost of the agency budget unless they replace existing services. Establishing agency priorities is necessary whenever new service areas are proposed.

Budget as a Cost Containment Tool

Budgets — In order to be an effective cost containment technique, a budget must be more than simply an internal product of the executive director's office. It must be more than a once-a-year mathematical exercise in trying to predict and/or justify what costs are going to be for the next fiscal period.

A budget is an integral piece of overall planning. An effective budget must consider where the institution is, where it is going, and how it wants to get there. An effective budget must be constructed on a department-by-department basis and with the full participation of the department head, supervisor, and often program staff.

A budget once agreed upon and approved, must not be revised. Variances between budgeted and actual costs will obviously occur within the year and in some instances these variances can be predicted before they occur; but even so, they must still be reported as variances and not as budget revisions, if proper fiscal management control is to be maintained. If expenses materialize that could not have been foreseen at budget time, carrying these expenses as budget variances highlights them for administrative attention and possible corrective action.

An effective budgeting system must include a periodic report, issued at least once a month, of actual versus budgeted expenses for that period and for the year to date. The report must be acted upon. As a cost containment device, a budget variance report is of little value if it only tells you where you have been and does not help you decide where you are going.

Service Consolidation — The obvious warning regarding service consolidation is that it is generally a rather large undertaking of significant consequence. Once undertaken, it is difficult and usually very expensive to undo. Service consolidation can present excellent opportunities for substantial cost reductions and should be investigated from every angle.

If client levels are significantly below capacity, portions of the agency can be closed or staff can identify their time availability so as to assume new added responsibilities. There is potential for service consolidation between departments if two departments have underutilized facilities; perhaps one can eliminate the service and send its clients to the other.

Several institutions may wish to share services by establishing central purchasing, central meal preparation, central laundry facilities, central printing facilities, purchase of time on automatic data processing equipment, etc.

An across-the-board approach to purchasing reductions is seldom advisable or workable. Purchasing decisions, particularly those involving sizeable amounts of money, should be made on an individual case basis. The institution can make the best purchasing decisions if it has established a formal and comprehensive purchasing policy. Then, if purchasing reductions are in order, they can be made in a systematic and consistent fashion.

Major equipment purchases should never be made without a complete analysis of anticipated utilization. Will a work-saving device free manpower for more production or will it simply create idle time?

Not to be overlooked is the possibility of reducing purchasing costs without reducing purchasing. For instance, do procedures exist to insure the best possible vendor terms? Are competitive bids sought? Are purchases made in the most economic quantities? Are discounts taken? What about make-buy-analysis —the determination of whether it is more feasible to buy or to make, rent, or lease an item. Exploration of disposable versus reusable supplies.

Operating Procedure Changes — There is a natural resistance in people and in organizations to change. Changes in operating procedures upset the daily routine and require people to learn how to do things differently. This can be doubly upsetting when it is not apparent to the persons involved that the new way has any significant advantages over the old way.

We can select any organization or department and come up with many ways of doing things differently. The real challenge, however, is how to do things better—better for the organization and better for the persons involved in the change.

Once a preferred alternative is selected, the job is still not done. The alternative must be tested, revised, amended, and tested again to make sure that it will have the desired impact. Change is often met with skepticism. When trying to sell that change, one must be sure of his facts and be able to transmit this assurance to others.

Personnel Reductions — Personnel reductions are perhaps the most difficult subject to face when one is trying to contain costs. Personnel reductions affect people not things, and they affect people very directly, not only those persons whose employment is terminated, but the morale of those who remain. Personnel reductions inevitably become an emotional issue, and in no other area of cost containment must decisions to take action be more completely supported.

In view of these problems, then, should not personnel reduction be considered a last resort in cost containment? In many ways, yes. But, payroll expense typically comprises a 60% or more of an operating budget, thus we must never close out this option.

The best approach to personnel reduction is to make reductions in positions before the people are hired. Precise staffing levels should be established on a department-by-department basis after the needs for various personnel has been clearly demonstrated and convincingly documented. These levels must then be strictly adhered to unless there are very compelling arguments to exceed them. Temporary overhiring should be avoided. The staff so employed tend to become permanent. The arguments for additional manpower to cover holidays, vacations, sick time, other absences, and peak work loads should be very critically evaluated.

It may be necessary to retrench. This is difficult and too often the administration refuses to take this action. By so doing it loses status in accounting to lay leadership and to funding bodies. There is rarely a good defense

for underutilized staff.

Sound fiscal administration requires a continuing education for the executive. New methods of budgeting concepts are developed each year. New sources of energy savings are put on the market monthly. A revolution in telephone equipment and the surging interconnect telephone industry may provide annual savings. We must not discover these sources through happenstance. We must be alert and knowledgeable in the difficult years ahead.

Cost Containment Questions

Personnel

1. Is the department staffing pattern related to occupancy or work load wherever possible?
2. Is idle time minimized through proper work distribution?
3. Are employees' lunch periods and coffee breaks staggered in order to maintain continuity of service?
4. Are routine clerical functions performed by non-professional personnel?
5. Does the department make use of a job position control plan?
6. Is a formal authorization necessary in order to hire additional personnel?
7. Are salary evaluations based on merit review?
8. Does the department provide employee training programs?
9. Has the use of automated equipment to reduce the number of personnel necessary for some routine functions been explored?
10. Are any of the clerical functions centralized?
11. Is the highest possible percentage of full-time rather than part-time personnel used?
12. Are job descriptions kept in written form and up to date?
13. Are job procedures kept in written form?
14. Are employees somewhat flexible in their job assignments?
15. Are overtime hours controlled by each department?

Management

1. Is a responsibility accounting system used?
2. Are such principles as budgeting, cost finding, and financial planning used to the fullest extent?
3. Is the internal control system reviewed routinely?
4. Are department heads progress-oriented rather than problem-oriented?
5. Has there been an effort to implement the principle of management by objectives?
6. Has an effective line of communication with employees been developed?
7. Are employees motivated by good examples and offered encouragement?
8. Does the company have an effective job evaluation and wage and salary administration program?
9. Is the Board kept informed about all financial matters and provided with special financial reports?
10. Is the community kept informed about costs and the reasons for them?
11. Are department heads regularly informed about the financial aspects of their departments?
12. Are employees aware of the expenses that are incurred in their department?

Purchasing

1. Is the purchasing function centralized rather than departmentalized?
2. Are competitive bids required on all purchases?
3. Does the department maintain minimum and maximum supply requirements?
4. Is the economic order quantity used in purchasing?
5. Are blanket purchase orders issued for large orders?
6. Does the company have a purchasing standards committee?
7. Does the company do its own printing?
8. Is a forms control program in effect?
9. Is there a written internal control policy regarding supply requisitioning?
10. Are supplies under the control of department heads?
11. Are supplies reviewed periodically for slow moving items?
12. Are employees encouraged to use supplies economically and efficiently?

Physical Conditions

1. Is the physical layout of the department reviewed periodically for possible improvements in efficiency?
2. Are transportation facilities, personnel and supplies evaluated from time to time?
3. Are upkeep or maintenance costs considered in addition to initial costs when contemplating interior building renovations? For example, high-grade paneling is initially more expensive than paint, but it would probably be more economical to maintain in the long run.
4. Are incident reports reviewed in order to determine if a condition exists that results in accidents or losses?
5. Is space allocation evaluated periodically for efficient use of available space? For example, is valuable space being used to store old records?
6. Is an effort made to look for and relieve congested areas?
7. Are complaints that are received from clients, employees, and staff about a common area properly investigated?
8. Is an effort made to look for possible improvements with hidden values—such as improvements that may offer lower insurance costs, improved safety, reduced risk of liability, and so forth?
9. Is consideration given to renting space for certain functions rather than making improvements or additions in the present facility?
10. Have alternative uses for excess space, such as renting been explored?
11. Does some area of the physical plant that needs improvement provide an opportunity for a shared service or joint venture with another department?
12. Whenever feasible, is use of a contract service investigated?
13. Has a preventive maintenance program been established to avoid a sporadic and problem-oriented approach to maintenance?
14. Are there any long range plans for improving the physical plant?

Equipment

1. Is there a written preventive maintenance program?
2. Has the use of service contracts been evaluated?
3. Is there a written policy regarding standardization and control of equipment?
4. Is old and obsolete equipment evaluated on a yearly basis to avoid wasting money on costly repairs?
5. Are all employees trained in the proper and safe use of equipment in their department?
6. Is the safety program for department employees continually updated?
7. Is an effort made to obtain new equipment on a trial basis before purchasing?
8. Whenever possible, is more than one bid sought on purchases of capital equipment items?
9. Is a capital equipment budget used?
10. Is a return-on-investment calculation prepared for prospective equipment purchases?
11. Is the possibility of renting or leasing technical equipment ever investigated as a hedge against rapid obsolescence?
12. Is the staff consulted on the proposed use of new equipment?
13. Is it a practice to wait until innovative equipment has been justified and proven prior to purchasing it?
14. Are start-up costs and additional operating expenses considered when planning to purchase new equipment?
15. Are client comfort and employee adaptability considered when planning to purchase new equipment?