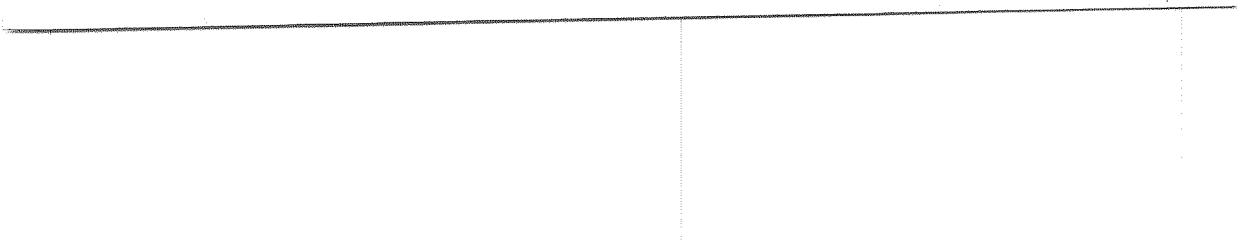


1973

*The* BUSH FOUNDATION

*The Bush Foundation* 1973





A. G. BUSH



MRS. A. G. BUSH

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THE  
BUSH  
FOUNDATION

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*Annual Report for the Fiscal Year  
Ended November 30, 1973*

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# The Bush Foundation

REPORT FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1973

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Cecil C. March, *First Vice President*  
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## STAFF

Humphrey Doermann, *Executive Director*

### GRANT PROGRAM ACTIVITY:

Stanley Shepard, *Senior Program Associate*. Emily Galusha, *Program Associate*. John Archabal, *Program Associate*

### BUSINESS MANAGEMENT

Harold V. Neece, *Business Manager*. Audrey G. Markoe, *Bookkeeper*

### STAFF SERVICES:

Margie M. Prosser, *Administrative Assistant*. Gloria Mooney, *Secretary*.  
Kathleen Youngren, *Secretary*

*Address:* W-962 First National Bank Building, Saint Paul, Minnesota 55101. *Telephone:*  
612-227-0891

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# The Bush Foundation

**T**HE BUSH FOUNDATION, established by Mr. and Mrs. Archibald G. Bush of Saint Paul, Minnesota, was incorporated February 24, 1953, under the Minnesota Non-Profit Act, to encourage and promote charitable, scientific, literary and educational efforts. It is a tax-exempt organization under the laws of Minnesota and the United States.

The Foundation has concentrated activity in the areas of education, humanities and the arts, community and social welfare, and medicine. Geographically, the Foundation's grants have been principally in Minnesota, with several grants in Chicago and Florida.

The income available to the Foundation represents the investment yield from assets given the Foundation by Mr. and Mrs. Archibald G. Bush. The Foundation is the residuary legatee of the Estate of the late Archibald G. Bush, from which it has received several distributions of property and cash.

During the fiscal year ending November 30, 1973 The Bush Foundation granted financial assistance to seventy-six projects in the United States, continued to conduct the Bush Opportunity Grants Program in seventeen private colleges, and the Bush Leadership Fellows Program. The sections which follow the annual Report of the President summarize these activities, and describe the Foundation's grantmaking policies and procedures.



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## Report of the President

THE BUSH FOUNDATION during 1973 continued to expand its activity, to review its recent past, and to look towards its future. The Foundation paid \$5,882,972 to grant recipients, compared with \$5,405,016 in 1972 and \$4,888,403 in 1971.

In March, the Board reviewed its grantmaking guidelines as well as the supporting material describing our grantmaking procedures to prospective applicants for funds. The new guidelines contain no major departure from the initial ones, which the Board had adopted in April, 1971. The new ones, like the old, imply that the grantmaking policy of The Bush Foundation is still evolving. They also reaffirm that, at least for the present, the Foundation shall remain predominantly a regional grantmaking foundation, with broad interests in education, social services, health, arts and humanities, and in the development of leadership. These definitions are consistent with the Board's continuing intention to administer the daily work of the Foundation with a relatively small, general-purpose staff, which frequently seeks outside advice.

In May, 1973, the Board reviewed a survey concerning the impact of our decisions *not* to grant funds to a sample group of applicants during 1971 and 1972. The survey was prepared by John Archabal, then Program Director in the Department of Extension Classes at the University of Minnesota. Many foundations, ours in-

cluded, attempt to learn what they can about the impact of the funds they do spend. We also wanted to learn more about what happened in those cases we had elected to pass by. Had these projects been curtailed, or paid for by someone else, or continued with the applicant's own funds? Did these applicants feel favorably or unfavorably towards The Bush Foundation following our denial of their request?

The survey sample of 41 cases was chosen from Minnesota applicants which appeared to have written proposals specifically for our attention. The sample was thus biased towards applicants where the chances seemed greatest that our negative decisions had high impact and where we might have also caused significant disappointment. We emphasized to these former applicants in the survey that its main purpose was to learn more about our grantmaking procedures, rather than to try to judge the worthiness of particular organizations or to determine whether we wished to do business with them in the future.

These applicants responded generously and candidly in their interviews with John Archabal. The survey process itself did not appear to generate abrasion or dissatisfaction. No new proposals appear to have been stimulated as a result of the survey. The survey findings are summarized below. They represent the result of classifying interview reactions subjectively, after the interviews were completed.

Reported Outcome for 41 Project Requests Not Funded by the Bush Foundation	Number Reporting This Outcome	Percentage of Total
A. Project abandoned	9	22%
B. Project still seeking funds	10	24%
C. Project severely curtailed, major adverse effect reported	3	7%
D. Project severely curtailed, little adverse effect reported	5	12%
E. Project continued, on other grants	8	20%
F. Project continued, on applicant's own funds*	6	15%
Totals	41	100%

\*Construction projects accounted for three of the cases where the applicant continued the project on its own funds. In these cases the applicant secured commercial mortgages to meet the current cash needs for building construction.

Apparent Reaction of Applicants toward Outcome of Bush Application (Between Six and 18 Months Afterward)	Number Reporting	Percentage of Total
Great disappointment	12	29%
Mild disappointment	20	49%
No disappointment	9	22%
<b>Total</b>	<b>41</b>	<b>100%</b>

Apparent Attitude of Applicants toward The Bush Foundation's Grantmaking Policies and Practices*	Number Reporting	Percentage of Total
Favorable	9	22%
Unfavorable	23	56%
Unable to classify	9	22%
<b>Totals</b>	<b>41</b>	<b>100%</b>

\*The dates on which The Bush Foundation denied these requests range from April, 1971, when the applicants had no access to Foundation guidelines, until July, 1972, when most applicants were aware of our guidelines. When the above attitudes are classified by the dates of our decisions, there is no clear pattern of improvement or deterioration between the early dates and the later ones. Most of the respondents whose attitudes were classified "unfavorable" felt that the Foundation either did not understand or failed to give sufficient weight to the importance of their projects.

Exploratory surveys of this kind often produce more questions than answers, and ours was no exception. We were surprised that so few of these applicants expressed great disappointment and that so few said that they had been forced to curtail significantly what they regarded as extremely important activity. If the findings are correct, does it mean that The Bush Foundation, on balance, acted wisely in these cases? Or does it mean primarily that these applicants are energetic and effective in seeking funds within a financial network which contains many sources of funds — no single one of which can meet all of the legitimate requests it receives? Or are these results merely peculiar to an early-development period in our own history, which may not be repeated once we are better known and are receiving a

larger number of more urgent requests? We expect to continue to pursue these questions, even if the answers continue to be approximate and temporary. We hope in many different ways to achieve a clearer understanding of the role we do and should fulfill.

In September, 1973, John Archabal joined The Bush Foundation staff as a Program Associate. All of the other Foundation staff members who served in 1972 continued to do so in 1973. In the same month, the Board accepted with regret the resignation of Granger Costikyan, Chicago, Illinois, who had served with distinction as a Member and Director of the Foundation since 1970. To fill this vacancy the Board elected Thomas J. Clifford, Grand Forks, North Dakota. Clifford is President of the University of North Dakota, a lawyer, and a certified public accountant.

As we look back, 1973 appears to have been a year of progress for us. It could not have been so without the significant contributions from many. Within the Foundation the extra time, attention, and thoughtfulness of many individual Board members was extremely important. The daily work of the staff gained from experience and improved in quality. Most important of all was the careful help we received from outside the Foundation. The organizations we supported appear to be spending our funds carefully, and often imaginatively. Applicants seeking our support seemed to understand our needs, and were generous in providing the extra information we often sought before reaching our decisions. Finally, many individuals took time at our request, often on short notice, to contribute their specialized knowledge to our information-gathering process. Their only reward was knowing how much we needed their help, and that it could increase the chances that we might make good decisions. These few words of acknowledgment can only begin to express our thanks.

Reuel D. Harmon  
*President*

## The Bush Leadership Fellows Program

A NEW program of Bush Summer Fellowships was added in 1973 to the regular Bush Leadership Fellows Program. This new program offered a broad variety of summer study opportunities to applicants with similar talents and purposes as those applying under the regular program. The new summer awards are made from three to eight weeks in length, compared with four to 18 months for the regular program. The first year's experience with the Summer Fellowships was encouraging. Initially, we estimated that about ten applicants might receive summer awards, assuming we would use roughly the same standards of selection as had governed the regular program. However, the applicant group was stronger than had been anticipated, and 14 awards were made. The new program, started as an experiment in 1973, will continue during 1974.

Introduction of the Summer Fellowships probably contributed to the decline in the number of applications which were filed for the regular Bush Leadership Fellows Program in 1973. One hundred twenty-five applications were completed in 1973, compared with 145 in 1972. However, if one considers also the 45 applications for Summer Fellowships, the application level for both Bush Leadership Fellows Programs reached 170. Applicants are limited to a single application for either program in any calendar year.

In 1973, the Foundation made 11 awards within the regular Bush

Leadership Fellows Program. The length of awards was closely tailored to individual fellows' study and internship plans.

Since starting in 1965, the Bush Leadership Fellows Program has awarded 61 fellowships and 14 summer fellowships. Seventy-five persons have received awards under the program. Major criteria for selection have consistently included mental skills, integrity, personal characteristics, personal career goals, and demonstrated competence in past work experience. The 75 award winners have included 12 non-whites and seven women.

The Program started in 1965 at the wish of Archibald G. Bush. He envisioned a program which would locate individuals with strong leadership qualities in a variety of fields, and enable them to develop those qualities without the kind of financial hardships he encountered in his own early business career. In the recent past, applicants were required to be between 28 and 43 years old, and to have lived or worked in Minnesota for at least one year immediately prior to application. For 1974, the maximum age of eligibility has been raised to 50. A college degree is not a prerequisite to application or final selection.

The sum of \$204,500 was authorized to pay stipends, tuition, and related expenses for the Fellows selected in 1973.

D. DONALD PEDDIE  
*Program Director*

# Summary of 1973 Grants

## *Bush Opportunity Grants Program*

The Bush Foundation Board of Directors in 1972 approved a four-year program of Bush Opportunity Grants totaling \$1,224,000. The program was designed to assist approximately 1,000 graduates of Minnesota public and private community and junior colleges to continue their undergraduate education in four-year accredited Minnesota private colleges. This also was the largest single grant made thus far by The Bush Foundation.

The Bush Opportunity Grants program provides sufficient funds roughly to double the flow of transfer students from Minnesota's community and junior colleges into Minnesota four-year private colleges by the end of the grant period. If recent estimates of mid-term transfer enrollment by the private colleges are correct, this flow of students will have increased over 35 per cent in 1973 compared with 1971. Some of this increase probably would have occurred whether or not the Bush funds were available.

Three annual "classes" of transfer graduates beginning in the fall of 1972 receive support. These students are eligible to receive Bush Opportunity Grants up to \$1,000 each. The participating Minnesota private colleges select individual students from among transfer applicants who plan to pursue a full-time academic program, and who have demonstrated financial need. Individual grants are renewable



for a second year of study, providing the student remains in satisfactory standing and demonstrates need for the money under the usual financial aid standards of the college.

The three major purposes of this program are to increase the range of educational career choices available to Minnesota community and junior college graduates, to make closer the relationship between Minnesota private colleges and community colleges and junior colleges, and to provide additional financial aid dollars to the participating private colleges.

Each fall, each of the 17 participating private colleges is assigned an authorized spending limit under a formula which distributes half of the year's available funds on a per-institution basis and half according to the relative size of full-time undergraduate enrollment. Any college not using its full allocation turns back the unused portion to The Bush Foundation for reallocation to colleges with greater need than provided for in the initial formula.

The Foundation allocated \$204,000 to each of three entering classes, providing the same amount for second-year renewals to each class. At the time this decision was made, it appeared that the allotted funds probably would not be sufficient to meet the demonstrated financial need of all the students who were expected to want to use them under the program. Separate estimates of probable enrollment and cost were provided by community and junior college deans, private college admission and financial aid officers, and also derived from student questionnaire results obtained in 1969 by the Minnesota Higher Education Coordinating Commission. All of these cost estimates exceeded \$204,000 per entering transfer class. However, during the first year, only about three fourths of the first allocation was needed; for the second year more will be used, but not the full amount authorized. While the flow of students from Minnesota community and junior colleges into four-year private colleges is increasing roughly 15 per cent a year, this growth rate is somewhat slower than we expected. Why?

It may have taken longer than anticipated to make large numbers of community and junior college students aware that funds were available to them for this expensive kind of transfer choice. Perhaps the private colleges needed more time than they expected to consider

changes in their student recruitment patterns and in their own internal regulations and practices for academic placement of transfer students. Finally, some community and some private colleges felt a stronger interest in the program than did others.

While fewer than half of the eligible private colleges were located in the Twin Cities metropolitan area, over two thirds of the transfer students in the Bush program enrolled in them. More than half the 183 award recipients in 1972 transferred as commuting students, and of these almost half were married. Six per cent of the grant recipients were minority-race students, compared with 4.3 per cent for the total Minnesota private college student body.

Hamline University, Saint Paul, and Augsburg College, Minneapolis, appeared to have made the earliest and most significant efforts to review academic placement of transfer students, to increase recruitment at community colleges, and to centralize administration of the transfer process. These two colleges each enrolled about 75 new transfer students in 1973-74, representing roughly one third of the composite total reported by the participating private colleges.

Each first-year recipient of a Bush Opportunity Grant is sent a questionnaire similar to the ones which are used by Illinois and Michigan to help evaluate the impact of their state scholarship programs. Eighty-six per cent of the 1972 Bush grant recipients replied. In an attempt to find out what impact these grants had on the educational career choices of these students we asked the following questions (and received the following responses).

1. Would you be attending college full time if you were NOT receiving a Bush Opportunity Grant?

Yes: 57%

No: 43%

100%

2. If your answer was "yes," what kind of college would you expect you would be attending?

Attending the same college: 21%

Attending a different private college: 1%

Attending a State College: 11%

Attending the University of Minnesota: 24%

57%

3. If your answer was "no," what would you now be doing?

Working:	30%
Attending college part time:	9%
Military service:	3%
Undecided:	1%
	<hr/>
	43%

The majority of these students reported that they were financially independent of their parents, that they were working during both the summer and the academic year and also borrowing to help finance their college expenses. Almost 90 per cent said they would have preferred to attend college in Minnesota even if the Bush grant could have been used elsewhere, and that they planned to seek employment in Minnesota following graduation from college.

The Bush Foundation expects in 1974 to review the experience under this program, and to consider whether it should be renewed for another period of years or discontinued after providing for the 1974 entering class, as was specified in the original Board of Directors vote.

### *Arts and Humanities*

The Bush Foundation granted Walker Art Center, Minneapolis, up to \$200,000 over three years to match other contributions from individuals, corporations and foundations to the Center's exhibition program. The Center's exhibition program emphasizes recognized major artists of the Twentieth Century and younger, less well known national and regional artists. The grant is intended to help the Center attract new sources of support, particularly from smaller corporations which do not have a history of interest in the arts, and to help retain those sources as part of the Center's annual base of continuing support.

The Minnesota State Arts Council, acting as fiscal agent for the Nancy Hauser Dance Company, was awarded a matching grant of up to \$64,402, over three years, to support a touring residency program of the Hauser Dance Company in out-state schools and communities in Minnesota. The Company will spend eight weeks in each of three regions, presenting dance programs for general audiences, dance

classes for elementary and secondary school groups, and workshops for teachers. The Bush grant is to be matched by funds from the local communities served by the program and by funds from the Coordinated Residency Touring Program of the National Endowment for the Arts.

The Foundation awarded two matching grants for history projects. A one-for-one matching grant of \$32,500 was made to the Minnesota Historical Society, Saint Paul, to support research and publication of a history of Minnesota ethnic groups and to support the cataloging and restoration of the Historical Society's map collections. The Newberry Library, Chicago, Illinois, was granted an additional \$50,000 to match a new National Endowment for the Humanities grant to complete an *Atlas of the American Revolutionary Period (1760-1790)*. In 1972, the Foundation made an initial grant of \$50,000 for this publication.

Four grants were awarded to help support the operating budgets of major Minnesota arts organizations. The Saint Paul Council of Arts and Sciences received \$212,000 in unrestricted support for its 1973-74 Annual Fund Drive. Funds collected for the Annual Fund Drive provide partial support for the member agencies of the Council. Those agencies include: Chimera Theatre, Saint Paul Chamber Orchestra, Saint Paul Opera Association, The Science Museum of Minnesota, Schubert Club, and Minnesota Museum of Art. The Guthrie Theater Foundation, Minneapolis, received \$75,000 to help support its 1973 season. Minnesota Opera Company, Minneapolis, was awarded \$40,000 to help support its 1973-74 season and the Metropolitan Opera Association, New York, received \$15,000 towards the deficit incurred by the Opera during its spring tour to the Twin Cities.

A supplementary grant of \$250,000 was made to the Minnesota Orchestral Association towards the cost of building a new orchestra hall. The Association expects that the new hall will attract larger audiences because of improved acoustics and more-convenient location. In 1972, the Foundation had granted the Minnesota Orchestral Association \$750,000 towards the costs of this project. The Foundation's total contribution for the new facility is \$1,000,000, which will be paid over a five-year period.

Spring Hill Conference Center, Wayzata, Minnesota, received

\$60,000 to help support the development of Center-initiated conference programs. The Center emphasizes the arts and humanities and also issues of social policy and government in its own programs.

## *Education*

### *PRIVATE HIGHER EDUCATION*

By the late 1960's private colleges had entered a period of financial difficulty which shows little sign of easing within the next few years, if then. Most private colleges responded to the new stringency by attempting to restore balance to their operating budgets. Many colleges raised tuition, cut appropriations for student aid, and began to hold salary and maintenance costs to a minimum. Not all of Minnesota's private colleges did all of these things but most of them did some of them. These measures can often operate successfully for two or three years, but may significantly restrict quality and flexibility if continued for much longer than that.

In 1972 The Bush Foundation reported the beginning of a shift in emphasis in its grants for Minnesota private colleges. Grants would be made more often to permit these colleges to tap new sources of unrestricted or relatively unrestricted funds, and permit them to improve their plans for spending the funds they already manage. Grants for additional program activity would be made less frequently, except where the college involved could demonstrate that the implied assumption of these additional program costs after our grant expired would not then weaken the college's general financial structure. However, the Foundation remained open to all kinds of proposals, and to considering each one on a case-by-case basis.

This greater emphasis on financial health showed clearly in The Bush Foundation's 1973 grants. Alumni challenge grants, ranging in size from \$65,000 to \$100,000, provided seven Minnesota private colleges with matching incentives which, if each of the colleges achieved its stated first-year goals, would increase the amount of annual alumni giving by an average of approximately one third and would also increase the average number of alumni donors by about one third. Since each grant was tailored to an individual situation,

some provided relatively large incentives for ambitious goals, while others provided smaller incentives to reach more modest targets.

The Foundation provided dollar-for-dollar matching for increased alumni giving in excess of the previous year's level of receipts. Separate incentives also sought to stimulate net increases in the number of alumni who give. Some of the colleges desired to include incentives for parent giving, or for special emphasis on contributions from younger alumni. In several cases these extra adjustments were made.

While these challenge grants are made for only a single year, the Foundation has anticipated that in many cases a series of grants may be made, so long as the process appears capable of continuing to achieve significant improvement in alumni or parent fund performance. After the major gains have been achieved, the size of the annual-increase targets will probably taper down by mutual agreement. The size of the Foundation's grant incentives will thereby be reduced, and eventually the challenge will not be renewed. While our judgment of the effectiveness of these grants will be governed by experience, we now anticipate that a series of alumni challenge grants with any one college usually will not operate for less than two years, or for more than five.

The first two grants of this kind were made in 1972 to Macalester College and to The College of Saint Thomas. Macalester increased its alumni fund dollar receipts in 1972-73 by 80 per cent, and the number of donors by 55 per cent. The College of Saint Thomas increased its dollar receipts 40 per cent, and the number of donors 31 per cent. These early results seem extremely encouraging.

The 1973 Bush alumni challenge grants were made to the following colleges.

Augsburg College	\$ 75,000
Carleton College	100,000
College of Saint Thomas (renewal)	75,000
College of Saint Scholastica	65,000
Hamline University	65,000
Macalester College (renewal)	75,000
Saint John's University	77,000

Other grants to private colleges and institutes were made for different purposes. Northland College, Ashland, Wisconsin, received a

matching grant of \$60,000 over two years to help support the Sigurd Olson Institute of Environmental Studies. The Institute is sponsoring a series of conferences and workshops on environmental problems of the Lake Superior region.

The Foundation granted \$100,000 over two years to the Erikson Institute for Early Education, Chicago, to help support its training program for teachers and supervisors in pre-school child care programs and in colleges.

Tulane University, New Orleans, Louisiana, received a grant of \$500,000, payable over five years, to support construction of patient-care and teaching facilities in the Tulane Medical Center. Tulane Medical Center is carrying out a major reorganization and expansion of its facilities and is expanding student enrollment in Tulane Medical School.

The University of Chicago was awarded a one-year grant of \$135,000 to help support continued operations of the A. G. Bush Library in the Industrial Relations Center of The University of Chicago.

#### *PUBLIC HIGHER EDUCATION*

The Foundation approved six grants to the University of Minnesota in 1973. The largest two of these grants were for education and research programs in the health sciences. The University was awarded \$215,028 over five years to help support development of a coordinated health occupations program at the University of Minnesota, Duluth, College of Saint Scholastica, Duluth, and Wisconsin State University, Superior, Wisconsin. A grant of \$204,926 over five years was awarded to the University for research on diabetes under the direction of Dr. Frederick C. Goetz. Dr. Goetz seeks to learn more about whether kidney disease in diabetics is genetically determined, or whether it is mainly the result of chemical changes in the body produced by diabetes.

The University of Minnesota Graduate School was voted a grant of \$115,000 over two years to support external evaluations of the University's 90 graduate programs by visiting panels of specialists from other major colleges and universities. This grant will enable the Graduate School to accelerate an internal and external evaluation program which is already in progress.

A one-for-one matching grant of \$25,000 was received by the University of Minnesota Institute of Technology towards the costs of the "Peer Teaching in Science" program. The Institute of Technology operates this program in secondary schools in the Twin Cities. The program is designed to increase the number of minority and disadvantaged public school students interested in mathematics and the physical sciences, and to provide student-teaching opportunities for high school students in selected public schools.

Two grants, totaling \$156,780, were awarded to the University of Minnesota to continue the Bush Graduate Theatre Fellowship Program through the 1975-76 academic year. The Theatre Fellows Program brings selected graduate students from throughout this country to the University for graduate work in the University's Theatre Department, followed by an internship at the Guthrie Theater.

A grant of \$75,000 over two years was made to Tri-College University, Fargo, North Dakota, to continue a cooperative library program at North Dakota State University, Moorhead State College, and Concordia College. The grant will support the development of coordinated and computerized book acquisition procedures.

#### *ELEMENTARY AND SECONDARY EDUCATION*

The Bush Foundation granted \$194,000 over three years to the Saint Paul Public Schools to help support development of a second Career Study Center. This Center will provide a special work/study program for students now enrolled in school but experiencing extreme difficulty, and also for student drop-outs from Saint Paul public secondary schools.

A two year grant of \$30,000 was awarded to the Minneapolis Public Schools to support the continuation of its Urban Arts program. This program provides intensive exposure to different forms of professional arts activities for students in all grade levels in the Minneapolis Public Schools.

Four grants were approved to other public school districts in Minnesota: Independent School District #793, Staples, Minnesota, was awarded \$109,750 over three years to assist rural school districts in Minnesota to develop experimental educational programs. Visiting teams of Staples teachers will assist client districts to establish programs in individualized instruction, differentiated staffing, and cur-



riculum development. A two-year grant of \$29,977 was approved for Independent School District #911, Cambridge, Minnesota, to support the services of a regional physical therapy consultant who will work with school personnel and handicapped individuals in school districts in State Planning Regions 5 and 7. Two grants totaling \$8,000 were awarded to Independent School District #894, Granite Falls, Minnesota, to support its 1973 and 1974 in-service training programs for teachers.

Saint Paul Academy/Summit School, Saint Paul, acting as fiscal agent, received \$72,200 to continue a statewide workshop training program for teachers of gifted students. This program is under the direction of Professor James W. Anderson of Saint Cloud State College, Saint Cloud, Minnesota.

#### *OTHER EDUCATION*

The Freshwater Biological Research Foundation, Minneapolis, received an additional grant of \$100,000 for the Freshwater Biological Institute now under construction on Lake Minnetonka near Orono, Minnesota. In 1971, the Foundation made a grant of \$300,000 to help support construction of the Institute which will be operated by the University of Minnesota after construction is completed in 1974.

### *Health*

In 1967, the Minnesota Health Careers Council was organized as a part of the Minnesota Hospital Association, to serve as the primary recruitment source for persons seeking careers in the health sciences. In 1973, the Foundation granted the Council \$100,000 over two years to establish a learning center which will provide post high school remedial education for minority and disadvantaged students who wish to pursue nursing and allied health careers. Each student participating in the Council's learning center program will undertake an individually designed study program to fill gaps in his or her academic preparation before enrolling in a nursing or other health career program.

The Health Education Institute, Hinsdale, Illinois, was awarded a grant of \$50,000 to help purchase special teaching aids and audio-

visual equipment for its new Health Education Center. The Center provides instruction in health education to groups of school children and to youth groups from metropolitan Chicago.

The Foundation made two grants to help improve the administration of new health care organizations in the Minneapolis-Saint Paul area. Minnesota Systems Research, Minneapolis, received \$65,100 to design evaluation and management information systems for the Twin City Health Care Development Project. This Project was established in 1972 to help develop health maintenance organizations in the Twin Cities. Metro Area Community Health, Saint Paul, was awarded a matching grant of \$20,000 toward the establishment of a consortium of community health clinics.

A grant of \$100,000 over two years was awarded to the Mary Lee DePugh Nursing Home, Winter Park, Florida, to help support construction of an addition to its residential facility and \$630 was awarded to Anoka State Hospital, Anoka, Minnesota, to purchase subscriptions to newspapers for patient wards.

## *Welfare and Social Services*

### *YOUTH AND FAMILY SERVICES*

There are over four hundred youth service programs in the seven county Minneapolis-St. Paul metropolitan area. Enablers, Inc., Minneapolis, maintains a central information clearinghouse for these programs, and publishes a ready-reference catalog of where they are and what they provide. It also helps provide some of them with limited emergency funds and management and fund raising assistance. The Foundation awarded Enablers, Inc., \$30,000 to help support its operations over two years.

Union Gospel Mission Association of Saint Paul, received a grant of \$38,000 over two years to support a scholarship program for 21 students at Minnehaha Academy, an independent elementary and secondary school in Minneapolis. Most of these students live in Union Gospel Mission Group Homes and have been referred to the Mission by Ramsey County Juvenile Court.

The Foundation approved a grant of \$22,967 to the Wisconsin Council of Churches, as fiscal agent for the Indian Special Welfare Pro-

gram. This grant is to provide funds to start the Indian Child Welfare Service Agency, which will work with Indian families and state and county agencies to place Indian children in Indian foster homes.

A grant of \$23,000 over two years was awarded to Migrants In Action, Saint-Paul, to support a resettlement program for Mexican-American migrants in Minnesota.

Quality Child Care, Mound, Minnesota, received a grant of \$7,050, to start a program designed to improve the quality of child day-care services in underserved Minnesota counties, primarily Olmstead, Ottertail, and Pine Counties.

#### *HEALTH AND REHABILITATION*

The Rehabilitation Institute of Chicago provides rehabilitation therapy to patients from Illinois and adjoining states, trains physicians to become specialists in rehabilitation medicine, and seeks new approaches to the rehabilitation of victims of spinal-cord accidents, strokes and other crippling diseases. A grant of \$105,000 over three years will help the Institute construct its new \$26,000,000 central facility in downtown Chicago.

A two-year grant of \$83,762 was awarded to the Occupational Training Center, Saint Paul, to start a new program to train academically and economically disadvantaged persons for middle management work and to assist those trained managers in finding employment. Training in the program will include academic courses at the University of Minnesota's General College and management responsibility for one of the sheltered workshop programs which Occupational Training Center operates for handicapped persons.

The Foundation awarded grants for three sheltered workshop programs. Willing Hands, Ghent, Minnesota, received \$46,160 to provide additional staff and equipment for its sheltered workshop program for the handicapped. Hands, Inc., Winthrop, Minnesota, received \$28,000 towards capital improvements on a workshop for the aged and physically handicapped. The Saint Paul Society for the Blind was awarded a matching grant of \$17,000 to purchase and install new equipment in its sheltered workshop.

Four grants were made to chemical dependency and alcoholism programs. The Hazelden Foundation, Center City, Minnesota, was

awarded a three-year grant of \$36,000 towards the costs of training lay counselors in the treatment of alcoholism. Granville House, Saint Paul, a halfway house treatment and rehabilitation facility for persons with alcohol and chemical dependency problems, received \$30,000 for operating expenses in the last six months of 1973, following an unexpected cutback in the availability of government support. Saint Paul Drug Rehabilitation Center, was awarded a grant of \$27,048 for its 1974 methadone maintenance program. The Saint Paul American Indian Center received \$10,000 to support its 1973 alcohol counseling program.

Three grants were made for the care and training of mentally-retarded children. The Melmark Home, Berwyn, Pennsylvania, a residential facility for mentally-retarded children, was awarded \$100,000 to help reduce a long term lease obligation. Dakota's Children, West Saint Paul, received \$35,000 to help start its residential care program for severely mentally-retarded and physically-handicapped children. Northern Minnesota Therapeutic Camp, Brainerd, received \$12,360 to help support its year-round camping program for mentally-retarded children and adults.

#### *UNITED FUNDS*

Three United Fund organizations received grants in 1973. The United Way of the Saint Paul Area, received two grants: \$150,000 towards member agency support in 1974, and \$20,000 to help support its 1973 Recreation, Employment, Anti-Pollution program, a summer youth employment program in Saint Paul. The United Way of Greater Duluth, as fiscal agent for the Bethany Lutheran Home for Children, Duluth, received a matching grant of \$100,000 towards construction of a new Bethany Lutheran Home. The United Appeal of Orange County, Orlando, Florida, received a grant of \$10,000 to help support its 1974 program.

#### *OTHER*

A two-year grant of \$66,000 was awarded to the Community Development Corporation, Saint Paul, towards support of the operation of the Community Housing Corporation. The Corporation is the designated "leader" for the United States Department of Housing and Urban Development's "Project Rehab" in Saint Paul. "Project Re-

hab" rehabilitates structurally sound but substandard housing structures.

## Other Program Areas

### ENVIRONMENT

The Nature Conservancy, Arlington, Virginia, was awarded \$161,300 to purchase and preserve five tracts of natural, undeveloped land in Minnesota. These tracts include virgin prairies in western Minnesota, an undeveloped island off the north shore of Lake Superior, and an unusual glacial formation near Little Falls. Minnesota Parks Foundation, Red Wing, Minnesota, received \$130,000 to purchase thirty acres of undeveloped land in Dakota County along the Mississippi River bluff. Minnesota Parks Foundation intends to donate most of the land purchased to Ramsey County, to be included in the proposed 320 acre Lilydale Park. The Bush grant is contingent upon final decision to develop Lilydale Park.

A matching grant of \$75,000 over two years was awarded to the Minnesota Environmental Sciences Foundation, Golden Valley, Minnesota, to support the development of curriculum materials in environmental education. These materials will be distributed to elementary and secondary schools in Minnesota in cooperation with the Minnesota Department of Education and the Minnesota Department of Natural Resources.

The Minnesota Geographic Society, Minneapolis, was awarded a grant of \$46,750 over three years to help support publication of *The Minnesota Earth Journal* and other Geographic Society programs.

### COMMUNICATIONS

An additional grant of \$170,000 over two years was awarded to Three Prong Television Productions, Chicago, Illinois, for its Prime Time School Television project. This project advises approximately 19,000 junior and senior high school teachers throughout the United States of prime time television programs of educational value to their students, so that these programs may then be used in later classroom discussion and special student projects. The Foundation granted \$75,000 for this project in 1972.

Twin City Area Educational Television Corporation, Saint Paul,

received a grant of \$6,206 to continue the program, "Perspective", on KTCA (Channel 2) for six months. "Perspective" is a discussion series dealing with Minnesota public policy issues.

#### *LAW AND CORRECTIONS*

A grant of \$135,421, payable over two years as needed, was made to the State of Minnesota, as partial support for the Office of Ombudsman for Corrections. The Office of Ombudsman is an independent agency within the State government which reports to the Governor and is responsible for receiving, evaluating and reporting on governance of inmates, parolees and employees of the Minnesota Department of Corrections.

Correctional Service of Minnesota was granted an additional \$11,919 to expand its state-wide study of the organization and delivery of correctional services in Minnesota. The Foundation granted \$151,640 for this study in 1972.

National Center for State Courts, Washington, D. C., received \$32,750 towards the cost of a Regional Center to be based in Minnesota. The Regional Center will serve as a clearing house for information on state court systems, conduct research and evaluation studies of state courts, and propose and monitor reforms within the court system.

#### *OTHER*

The Upper Midwest Council, Minneapolis, was awarded a grant of \$75,000 over two years to help support an experimental program working with government agencies and private for-profit and non-profit organizations to expand the number and kinds of choices available to government for providing public services. The Upper Midwest Council is cooperating with the Citizens League, Minneapolis, in this program.

The Foundation Center, New York, the major library and data resource for and about foundations in the United States, received a three-year grant of \$60,000 towards operating costs.

# Grantmaking Policies and Procedures

## *REVISED GRANTMAKING GUIDELINES*

On March 23, 1973 The Bush Foundation Board of Directors adopted revised grantmaking guidelines, replacing those which had been in effect since April 1971. The new revision sought primarily to make clearer the earlier guidelines and to answer additional frequently-recurring questions raised by prospective grant applicants. The revision does not signal significant changes of interest or grantmaking emphasis, and the guidelines still are considered to be in a formative state. Following is the text of the revised grantmaking guidelines.

## *MAJOR CURRENT INTERESTS*

1. The Bush Foundation currently is predominantly a regional foundation, with broad interests in education, social services, health, arts and humanities, and in the development of leadership.
2. The Foundation is interested in education at all levels. It seeks to support promising new learning programs and new approaches to structural change, such as those which promote broader educational opportunity or promote quality and efficiency of school or college operation.
3. The Foundation seeks to support projects which may help to demonstrate and evaluate new ways to resolve contemporary social problems, such as providing greater opportunity for minority groups and protecting the environment.
4. The Foundation is interested in efforts to increase the effectiveness of medical manpower, and to deliver good medical care — at reasonable cost to recipients and to society — particularly in areas which now are under-served.

5. The Foundation accepts special regional responsibility in the arts and humanities, including support for music, theater, dance, visual arts and the general preservation of our cultural heritage.
6. The development of leadership potential was a particular interest to the founder of The Bush Foundation, and will continue to command its interest and resources.

*RESTRICTIONS AND AREAS OF HIGH SELECTIVITY*

1. In recent years the Foundation has concentrated its major interest on projects originating in, or of special value to Minnesota, with Chicago and central Florida as areas of secondary interest, and others less so. Proposals for projects outside the United States ordinarily will not be approved.
2. The Bush Foundation ordinarily will not contribute to other private foundations, but this shall not preclude its joining with one or more foundations in a common effort of special interest.
3. The Foundation ordinarily does not make direct grants to individuals, except through established, defined programs such as the Bush Leadership Fellows Program. Ordinarily, the Foundation's grants are made only to non-profit, tax-exempt organizations.
4. Although the Foundation seeks to appraise each grant proposal on its merits, the following kinds of grant proposals face increasingly stringent selectivity:
  - a. Proposals for building construction, particularly in education — but in the Foundation's other areas of interest also. In addition to the appropriateness of the building plans themselves, the importance and quality of the program activity to be housed, and the impact of the proposed construction on this activity, also are significant in the consideration of these requests.
  - b. Proposals requesting endowment funds.
  - c. Proposals requesting support to cover past operating deficits.
  - d. Proposals seeking general and continuing operating support.
5. The Foundation for some time has been reluctant to provide



funds for basic scholarly research within established academic disciplines. Within the last two years the Foundation also has become increasingly cautious towards funding proposals for both applied and basic research in the natural sciences and health sciences.

## *Grantmaking Procedures*

### *RESPONSIBILITY FOR DECISIONS*

All commitments of grant funds are made by the Board of Directors. The Board meets at least quarterly, but rarely at intervals of less than two months. The Grants Committee, a five-man subcommittee of the Board, discusses all grants prior to final Board action, and makes recommendations of final action to the Board.

All grant proposals to be considered by the Grants Committee and the Board are first investigated by the Foundation's staff. The results of these investigations are made available to the Grants Committee and the Board.

### *TIME REQUIRED FOR DECISIONS*

Grant proposals should be submitted to the Executive Director of the Foundation at least two months prior to the Board meeting at which consideration of the proposal is desired. This normally is a minimum time needed to complete the steps required for consideration. But if the proposal is highly specialized, if it requires the review of outside consultants, or if additional information is needed before serious consideration is possible, the process of consideration usually takes longer. In 1973, the average elapsed time between the receipt of a completed proposal and final Board action was three months. Several proposals required only two months, however, while others required as long as eleven months.

Ordinarily one member of the Foundation's program staff is assigned to work on a specific proposal when it is received by the Foundation. This staff member will suggest further discussion with the author of the proposal if it seems necessary, and may also seek other opinions and background information. This staff member will also be responsible for presenting the proposal, the results of the

related investigation, and the staff's composite recommendation to the Grants Committee and to the Board.

### *PRELIMINARY INQUIRIES*

The Foundation staff welcomes brief preliminary letters inquiring about possible interest of the Foundation in providing funds for a particular project. The staff also is pleased to answer written or telephone inquiries concerning application procedures, desired documentation, timing problems, and so on.

In answering questions about the possible future Foundation action on a proposal idea, the staff replies will usually range from "possible" to "unlikely." These staff appraisals never signal quick, optimistic encouragement as to final outcome. At the same time, they rarely are so discouraging as to prohibit finally any further consideration. However, recent staff estimates suggesting that proposal ideas seemed "unlikely" to command Board interest and final approval have almost always proven correct, even though the estimates in no way commit or limit later Board action. During the past three years, the Foundation has had sufficient funds to grant only about one fourth of the requests submitted.

### *EXPLORATION OF OTHER SOURCES OF SUPPORT*

Grant applicants ordinarily should explore all other possible sources of support in addition to approaching The Bush Foundation. This exploration does not hurt the chances for a favorable decision by The Bush Foundation, but may improve the chances that the project will find support somewhere. In the event other sources do provide partial or full support, The Bush Foundation should be notified promptly, so that the staff may revise the amount requested in line with up-to-date and realistic needs.

## *Grant Proposals*

### *FORM OF PRESENTATION*

There is no special form for applying for a grant. The proposals made to the Foundation vary widely as to purpose, and hence vary also as to the documentation needed for fair consideration. Plans

which have been worked out thoughtfully and described concisely are always welcomed. Expensive brochures and extra efforts at slick packaging generally seem wasteful.

#### *DESIRED CONTENTS*

A detailed list of "Application Requirements" is available at the Foundation office, and should be requested before drafting a final proposal. Following is a summary of the information which ordinarily should be provided in a completed proposal for a new project:

1. A clear description of the project, what it may be expected to achieve, and why it is important to undertake.
2. A detailed expense budget for the project, showing how the requested funds would be spent and during what time periods. The budget should make clear how the major elements of expense were estimated. Applicants should specify when the grant payment is desired, and in what amount; if more than one payment is requested under the grant, a suggested schedule of payments should be provided.
3. A statement of other possible sources of support, public or private, which have been or will be approached concerning the project, including a statement of funds which have been received or pledged.
4. If the project is to be continued after the period for which support has been requested, an explanation of how continuation of the project is to be financed.
5. The procedure and criteria by which effectiveness of the grant should be judged after the grant funds have been expended.
6. Information concerning the organization and the responsible officers who intend to carry out the project:
  - a. A brief description of the organization making the proposal.
  - b. The names and primary affiliations of the organization's directors or trustees.
  - c. The name(s) and qualifications of the person(s) who would administer the grant.
  - d. An audited balance sheet and income statement, if available, for the organization's previous fiscal year.

7. A copy of the organization's most recent tax-exempt ruling from the Internal Revenue Service, along with either a statement as to any revisions which may be pending, or a statement that there has been no change and none is pending.
8. If the request comes from a department or individual in an organization, the request should also be endorsed by the administrative head of the organization. If possible, the endorsement should also comment upon the relative priority of the request compared with other needs which The Bush Foundation may be asked to support.
9. For demonstration projects, research studies, and experiments, a description of similar work which has been carried out previously by other agencies would be helpful, along with an estimate of the significance of this prior work to the proposed project.
10. Proposals seeking funds for basic scholarly research should be written so that the project and its importance may be understood by non-specialists, and also so that the specific work plan may be understood and reviewed by consultants in the specific discipline involved. The Foundation has been extremely selective in approving grants for basic scholarly research of all kinds, and for applied and basic research in the health sciences and natural sciences. While this work often is important, and while federal support for it in many areas has diminished recently, the major federal agencies still appear to attract the largest pool of good applications to choose from, and also provide more-discriminating qualitative review than The Bush Foundation can readily provide.

## *Approved Grants*

### *NOTIFICATION OF APPROVAL*

The Bush Foundation will send written notice to applicants concerning all Board decisions to approve or deny grant proposals, usually within ten days following the Board meeting involved. During this period, also, the Foundation notifies Minnesota newspapers, and radio and television stations of grants which have been approved.

The Foundation Center in New York City is also notified of approved grants so that its central public data file may be kept current.

#### *REPORTS TO THE FOUNDATION*

The Foundation will require progress reports at least annually stating what has been accomplished by expenditures of the grant funds, along with appropriate financial reports as to how the funds were spent. Grant funds may be spent only for the purposes granted. Uncommitted funds at the end of the grant period must be returned to the Foundation unless other arrangements have been proposed beforehand and approved formally by the Foundation's Board of Directors. Following the end of the period for which funds were granted, the grantee must provide the Foundation with a final financial accounting for the grant funds, and an evaluation and summary of the results obtained.

#### *FOUNDATION SELF-EVALUATION*

In addition to receiving reports from grantee organizations concerning the impact of the funds granted, the Foundation asks both its own full-time staff and also outside evaluators to review the experience of the Foundation's past grants and to suggest improvements in the Foundation's grantmaking procedures. The principal purpose of the survey review activity is to ensure that the Foundation periodically evaluates its own performance, and not to appraise the worthiness of individual grant recipients for possible future grants. The thoughtful assistance which recipients of Bush grants since 1970 have given to this self-evaluation work for the Foundation has been invaluable. The Foundation expects that it will continue to need this kind of help from its grant recipients in the future.

#### *SUMMARY STATISTICS FOR 1973 GRANTS*

The following tables summarize The Bush Foundation's recent grants, classified by the type of institution to which funds were granted, by size and duration of grants, and by the geographic location of the grantees.

SUMMARY OF GRANTS APPROVED IN FISCAL YEARS 1971, 1972, AND 1973,  
CLASSIFIED BY TYPE OF INSTITUTION TO WHICH FUNDS WERE GRANTED

Type of Institution	1971	1972	1973	3-Year Total
A. Humanities and Performing Arts	\$1,915,000 (10) 22.2%	\$1,349,050 (12) 18.0%	\$ 998,902 (10) 16.4%	\$ 4,262,952 (32) 19.2%
B. Education (including research in colleges and universities)	3,265,718 (20) 37.8%	3,081,938 (20) 41.0%	2,662,661 (26) 43.7%	9,010,317 (66) 40.5%
C. Health	1,280,798 (6) 14.9%	859,702 (6) 11.4%	335,730 (6) 5.5%	2,476,230 (18) 11.1%
D. Welfare and Social Services	1,342,300 (20) 15.6%	1,201,653 (13) 16.0%	991,481 (22) 16.3%	3,535,434 (55) 15.9%
E. Miscellaneous (including environment, corrections and law, communications, and others not included above)	581,545 (10) 6.7%	832,685 (11) 11.1%	904,221 (11) 14.8%	2,318,451 (32) 10.4%
F. Bush Leadership Fellows Stipends	239,500 (2) 2.8%	191,100 (1) 2.5%	204,500 (1) 3.3%	635,100 (4) 2.9%
<b>TOTALS</b>	<u>\$8,624,861</u> (68) 100.0%	<u>\$7,516,128</u> (63) 100.0%	<u>\$6,097,495</u> (76) 100.0%	<u>\$22,238,484</u> (207) 100.0%

NOTE: (1) In each cell, the dollar figure represents the total amount granted, the figure next below in parenthesis shows the number of grants made, and the bottom figure shows the percentage of all grant dollars awarded during that fiscal year.

SUMMARY OF GRANTS APPROVED IN FISCAL YEAR 1973, CLASSIFIED BY SIZE,  
DURATION, AND GEOGRAPHIC LOCATION OF GRANTEES

	Classification of Grants	Number of Grants Approved
I. Size	\$ 0-\$ 9,999	5
	10,000- 24,999	10
	25,000- 49,999	15
	50,000- 99,999	22
	100,000- 199,999	17
	200,000- 499,999	6
	500,000- 999,999	1
Total		<u>76</u>
II. Duration	1 Year	43
	2 Years	19
	3 Years	10
	4 Years	0
	5 Years	4
Total		<u>76</u>
III. Geographic location	Minnesota	59
	Illinois	6
	Florida	2
	Other	9
Total		<u>76</u>

## Report of the Treasurer

THE financial condition of the Foundation on November 30, 1973, and the operating results for the fiscal year ended on that date is presented on the following pages.

The 1973 fiscal year was very poor for investment performance of equities. The broadly based indices were off from 30 to 35 per cent. It follows, therefore, that the Foundation's equities performance was poorer than desired but, at approximately 17 per cent off, was much better than the broad averages. For the fiscal year which ended November 30, 1973 the total return on Foundation investments was -12 per cent. For the same period, total return was -15 per cent on the Standard and Poor's Index of 500 stocks and -16 per cent on the Dow Jones Industrials Index.

On November 30, 1973 the market value of the Foundation's assets was \$147,177,061, a decrease of \$23,324,301 from the previous year end. The decrease was due to realized and unrealized depreciation in the market value of investments. The principal fund of the Foundation was \$142,644,419 on November 30, 1973 consisting of \$100,530,563, the net value of assets received from the Estate of A. G. Bush plus the market value at date of transfer of gifts to the Foundation by Mr. and Mrs. Bush prior to January 16, 1966, plus \$42,533,258 in realized gains on investments and less \$419,402 in unrealized losses.



Brown Brothers Harriman & Co., New York, The Northern Trust Company, Chicago and The United States Trust Company, New York are investment advisors to the Board of Directors. The advisors meet regularly with the Board for a review and evaluation of investment performance and a discussion of investment policy.

Investment income received during the year was \$5,600,590, an increase of 22 per cent over the preceding year. Investment Expenses were \$249,917 compared to \$282,823 in the previous year, Administrative Expenses were \$282,452 compared to \$281,142 and the provision for Excise Tax was \$226,000 in 1972-73 and was \$224,000 for 1971-72.

Contained in the Last Will and Testament of A. G. Bush is a provision naming The Bush Foundation as the residuary legatee of the Estate of A. G. Bush. The Foundation received no distribution from the Estate during 1972-73. As of November 30, 1973, the current market value of the remaining assets in the hands of the Executors of the Estate of A. G. Bush was \$80,648,845 and included 1,000,000 shares of common stock of Minnesota Mining and Manufacturing Company. The Estate's appraised value of these remaining assets was \$37,351,971.

New grants amounting to \$6,097,495 were approved during the year. On November 30, 1973 grant commitments for future disbursement were \$9,683,918.

The Bush Foundation is subject to the provisions of the Tax Reform Act of 1969 which pertain to private foundations. A provision of the Act requires the Foundation, for the 1972-73 fiscal year, to distribute either the net investment or  $4\frac{1}{8}$  per cent of the average market value of the Foundation's assets, whichever is greater. The distribution must be made by the end of the 1973-74 fiscal year. The percentage of average market value of assets for 1973-74 will be  $4\frac{3}{8}$  and is subject to change from year to year in the future.

FRANKLIN O. BRIESE  
*Treasurer*

ARTHUR ANDERSEN & Co.

MINNEAPOLIS, MINNESOTA

To the Board of Directors of

The Bush Foundation:

We have examined the balance sheet of THE BUSH FOUNDATION (a Minnesota corporation, not for profit) as of November 30, 1973 and 1972, and the related statements of principal fund, income fund and changes in financial position for the years then ended, and the supplementary statements (Exhibits 1 and 2). Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of The Bush Foundation as of November 30, 1973 and 1972, and the changes in principal fund, income fund and financial position for the years then ended, and the supplementary statements present fairly the information set forth therein, all in conformity with generally accepted accounting principles consistently applied during the years.

*Arthur Andersen & Co.*

ARTHUR ANDERSEN & CO.

Saint Paul, Minnesota  
January 5, 1974.

# The Bush Foundation

## BALANCE SHEET—NOVEMBER 30, 1973 AND 1972

ASSETS	1973	1972
CASH, including \$1,355,548 in 1973 and \$112,476 in 1972 held by fiscal agents for investment (Note 4)	\$ 1,392,645	\$ 124,715
INVESTMENTS, at quoted market value or at cost which approximates market value (Exhibit 1 and Notes 1 and 4):		
Certificates of deposit	\$ 1,000,000	\$ . . . . .
U.S. Treasury Bill and Note	1,502,245	4,545,790
Commercial paper	13,908,648	16,100,889
Corporation notes, bonds and debentures, amortized cost of \$26,231,379 in 1973 and \$21,692,982 in 1972	25,477,933	22,055,856
Municipal bonds, cost of \$48,746 in 1972	. . . . .	12,750
Common stocks, cost of \$101,948,254 in 1973 and \$104,437,386 in 1972	102,229,410	125,501,955
Notes and mortgages receivable, at amortized cost	618,391	811,740
Real estate, cost of \$200,000 in 1972	. . . . .	400,000
Total investments	<u>\$144,736,627</u>	<u>\$169,428,980</u>
DIVIDENDS AND INTEREST RECEIVABLE	1,005,504	925,454
OTHER ASSETS, net	42,285	22,213
	<u>\$147,177,061</u>	<u>\$170,501,362</u>

LIABILITIES AND FUND BALANCES  
1973

1972

	1973	1972
ACCOUNTS PAYABLE, including \$855,776 in 1973 payable by fiscal agent for securities with settlement pending	\$ 900,205	\$ 70,496
ACCRUED FEDERAL EXCISE TAXES (Note 3):		
Current	215,000	224,580
Deferred	.....	800,000
UNPAID GRANTS SCHEDULED FOR PAY- MENT IN FISCAL YEAR (Exhibit 2):		
1973	\$ . . . . .	\$ 4,940,965
1974	6,170,422	2,335,731
1975	1,911,059	1,275,700
1976	893,795	917,000
1977 and thereafter	708,642	.....
	<u>\$ 9,683,918</u>	<u>\$ 9,469,396</u>
FUND BALANCES:		
Principal fund	\$142,644,419	\$164,948,097
Income fund	(6,266,481)	(5,011,207)
Total fund balances	<u>\$136,377,938</u>	<u>\$159,936,890</u>
	<u>\$147,177,061</u>	<u>\$170,501,362</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

# The Bush Foundation

## STATEMENT OF PRINCIPAL FUND FOR THE YEARS ENDED NOVEMBER 30, 1973 AND 1972

	1973	1972
<b>Stated value of assets received principally from Estate of A. G. Bush —</b>		
Balance, beginning of year	\$100,608,715	\$100,474,117
Distributions received from the Estate of A. G. Bush (Note 2)	. . . . .	1,190,893
Principal transferred to income fund (Note 1)	. . . . .	(990,893)
Legal fees (Note 1)	(78,152)	(65,402)
Balance, end of year	<u>\$100,530,563</u>	<u>\$100,608,715</u>
<b>Unrealized appreciation (depreciation) in market value of investments (Exhibit 1 and Notes 1 and 3) —</b>		
Balance, beginning of year	\$ 20,791,447	\$ 985,092
Appreciation (depreciation) in market value of investments, net of deferred Federal excise taxes of \$800,000 (Note 3)	(22,225,526)	21,423,034
Losses (gains) realized on security transactions during the year	1,014,677	(1,616,679)
Balance, end of year	<u>\$ (419,402)</u>	<u>\$ 20,791,447</u>
<b>Reinvested gains on security transactions —</b>		
Balance, beginning of year	\$ 43,547,935	\$ 41,931,256
Gains (losses) realized on security transactions during the year	(1,014,677)	1,616,679
Balance, end of year	<u>\$ 42,533,258</u>	<u>\$ 43,547,935</u>
Total principal fund balance	<u>\$142,644,419</u>	<u>\$164,948,097</u>

The accompanying notes to financial statements are an integral part of this statement.

# The Bush Foundation

## STATEMENT OF INCOME FUND FOR THE YEARS ENDED NOVEMBER 30, 1973 AND 1972

	1973	1972
<b>INCOME:</b>		
Dividends	\$ 2,362,832	\$ 1,957,498
Interest	3,237,315	2,605,195
Other	443	23,190
Total income	<u>\$ 5,600,590</u>	<u>\$ 4,585,883</u>
Less investment expenses	249,917	282,823
Income before provision for Federal excise tax	<u>\$ 5,350,673</u>	<u>\$ 4,303,060</u>
Provision for Federal excise tax (Note 3)	226,000	224,000
Net investment income	<u>\$ 5,124,673</u>	<u>\$ 4,079,060</u>
<b>ADMINISTRATIVE EXPENSES:</b>		
Salaries and staff benefits	\$ 142,736	\$ 132,749
Investment management	146,965	164,760
Program management	34,773	32,417
Consulting fees	18,412	5,584
Other administrative expenses	189,483	228,455
Less allocation to investments	(249,917)	(282,823)
Net administrative expenses	<u>\$ 282,452</u>	<u>\$ 281,142</u>
<b>INCOME AVAILABLE FOR GRANT APPROPRIATION</b>	<u>\$ 4,842,221</u>	<u>\$ 3,797,918</u>
ADD — Transfers from principal fund (Note 1)	. . . . .	990,893
DEDUCT — Grants appropriated during year (Exhibit 2)	<u>(6,097,495)</u>	<u>(7,498,128)</u>
Net (deductions) from income fund	<u>\$(1,255,274)</u>	<u>\$(2,709,317)</u>
BALANCE, beginning of year (deficit)	<u>(5,011,207)</u>	<u>(2,301,890)</u>
BALANCE, end of year (deficit), representing grants payable in future periods in excess of accumulated income available	<u><u>\$(6,266,481)</u></u>	<u><u>\$(5,011,207)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

# The Bush Foundation

## STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEARS ENDED NOVEMBER 30, 1973 AND 1972

	1973	1972
CASH BALANCE, beginning of year	\$ 124,715	\$ 1,029,580
Income and grant transactions:		
Source —		
Receipts from dividends, interest and rent	\$ 5,520,540	\$ 5,433,424
Less disbursements for expenses and Federal excise taxes	(892,240)	(957,167)
Cash available for grants	\$ 4,628,300	\$ 4,476,257
Application —		
Grants paid (Exhibit 2)	(5,882,972)	(5,405,016)
Decrease in cash from income and grant transactions	\$ (1,254,672)	\$ (928,759)
Principal transactions:		
Distributions received from the Estate of A. G. Bush (Note 2)	\$ . . . . .	\$ 990,893
(Increase) decrease investment in securities	2,522,602	(966,999)
Increase in cash from principal transactions	\$ 2,522,602	\$ 23,894
CASH BALANCE, end of year	\$ 1,392,645	\$ 124,715

The accompanying notes to financial statements are an integral part of this statement.

### NOTES TO FINANCIAL STATEMENTS

(1) *Accounting Policies*—  
The financial statements have been prepared on the accrual basis method of accounting in conformity with generally accepted accounting principles. Some of the more significant accounting policies are as follows:  
INVESTMENTS—The investments in the accompanying financial statements have been re-

flected at quoted market value or at cost which approximates market value as of November 30, 1973 and 1972.

**DESCRIPTION OF FUNDS**—The principal fund represents funds which are invested in income producing assets and are not available for distribution. The income fund principally represents income earned on invested principal which is available for distribution as grants. In this connection the Board of Directors has approved and directed that all funds received from the Estate of A. G. Bush after July 31, 1969, representing income earned by the Estate, be transferred from the principal fund to the income fund of the Foundation for grant appropriation.

**LEGAL FEES**—The Foundation has adopted the policy of recording legal fees incurred for the protection of principal as a reduction of the principal fund balance. In this connection, \$78,152 and \$65,402 of legal fees were recorded as a reduction of the principal fund during the years ended November 30, 1973 and 1972, respectively.

(2) *Estate of A. G. Bush*—

The Bush Foundation is the residuary legatee of the Estate of A. G. Bush. The undistributed assets of the Estate were approximately \$37,352,000 as of November 30, 1973. This amount represents principal assets of the Estate plus income earned on those assets and is subject to claims of approximately \$1,700,000 for administrative expenses and additional executors', fiscal agents' and attorneys' fees which the Estate was ordered to pay by the Probate Court. This ruling was subsequently affirmed by the Ramsey County District Court. The Foundation will file an appeal therefrom with the Minnesota State Supreme Court.

(3) *Federal Excise Taxes and Distribution Requirements*—

**FEDERAL EXCISE TAXES:**

Under the Tax Reform Act of 1969 (the Act), the Foundation is subject to a four percent excise tax on its taxable investment income. Taxable investment income principally includes income from investment plus net capital gains (net capital losses, however, are not deductible). Accordingly, a provision for Federal excise taxes of \$226,000 and \$224,000 has been provided for the years ended November 30, 1973 and 1972, respectively.

The reserve for Federal excise taxes at November 30, 1972, includes \$800,000 of deferred Federal excise taxes resulting from recorded unrealized appreciation on investments. Due to the substantial reduction in the market values during fiscal year 1973, no reserve for deferred Federal excise taxes was necessary at November 30, 1973. Accordingly, the reserve established at November 30, 1972, was eliminated and was credited to the principal fund in 1973 by a reduction to the amount of unrealized depreciation of market value charged thereto.

**DISTRIBUTION REQUIREMENTS:**

Under the Act for the two fiscal years ended November 30, 1971 and 1972, the Foundation was required to distribute to qualified recipients an amount equal to adjusted net income, as defined. In fiscal year 1973, the Foundation, for the first time, was subject to the minimum investment return distribution requirement of the Act.

Accordingly, it must distribute an amount which is the higher of adjusted net income, as defined, or  $4\frac{1}{8}\%$  of the fair market value of its assets, as defined. The Foundation has complied with these distribution requirements for each of the three fiscal years ended November 30, 1973, and as of November 30, 1973 has distributed approximately \$1,200,000 in excess of the required amount. This excess can be applied to future distribution requirements for a period of up to five years.

Based on the most recent available information from the Internal Revenue Service, the percentage used to determine the minimum investment return distribution requirement will increase to  $4\frac{3}{8}\%$  in fiscal year 1974. However, this percentage is subject to fluctuation in later years based on changes in the relationship of current investment yields to the investment yields in the statutory base year (1969).



(4) *Restricted Assets—*

During 1973, certain real estate held by the Foundation was sold. As a condition to the release of a Federal estate tax lien on this property, the Internal Revenue Service has required that the net proceeds from this sale be held as a fund subject to the liens and claims of the United States. At November 30, 1973, the balance sheet includes the following items subject to this restriction:

Cash	\$ 10,943
Investments	<u>441,088</u>
Fund balances	<u>\$452,031</u>

(5) *Pending Litigation—*

**RENUNCIATION OF WILL:** The guardians of the Estate of Edyth D. Bush filed a renunciation of the Will of A. G. Bush claiming her statutory share (one half) of the decedent's estate. This renunciation has been ruled not valid by the Ramsey County Probate Court. That decision was later upheld by the Ramsey County District Court, and has been appealed to the Supreme Court of Minnesota. The effect of the appeal, if successful, would be to require payment from the Estate of A. G. Bush, and, if its assets were insufficient, to require contributions from the Foundation equal to one half of the value of the Estate of A. G. Bush. The inventory of the Estate of A. G. Bush was approximately \$127,000,000. It is the opinion of counsel that there is no substantial risk that this appeal will be successful.

The Bush Foundation was named codefendant in a \$100,000,000 lawsuit filed in behalf of Mrs. Edyth D. Bush by the guardians of her estate. Among other things, the suit seeks to rescind the August 27, 1966, agreement in which Mrs. Edyth D. Bush consented to the Will of A. G. Bush, and to void the April 10, 1970, judgment of the District Court of Ramsey County, Minnesota, entered pursuant to a September 17, 1969, stipulation which, among other things, established the present Board of Directors. It is the opinion of counsel that this lawsuit is without substantial merit.

**BOARD OF DIRECTORS' LITIGATION:**

Certain directors of the Foundation were named in a lawsuit, initiated by two directors of the Foundation, seeking damages totaling \$71,965,000 as well as certain injunctive relief, on behalf of the Foundation for alleged stock manipulations and conflicts of interest. It is the opinion of counsel that this suit has no substantial effect on the financial condition of the Foundation and, if successful, it would add to the assets of the Foundation.

The defendant directors have filed a denial to these allegations and a counterclaim requesting the removal of the plaintiff directors from the Board of Directors of the Foundation and enjoining the plaintiff directors from further litigation affecting the Foundation or its officers or directors. The Foundation is contingently liable for payment of legal fees in connection with the Board of Directors' litigation.

## The Bush Foundation

## INVESTMENTS HELD AT NOVEMBER 30, 1973

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Certificates of Deposit—</i>			
First National City Bank, 9.40%, due December 17, 1973	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
U.S. TREASURY BILL, due September 24, 1974	\$ 500,000	\$ 463,106	\$ 468,545
U.S. TREASURY NOTE, due August 15, 1977, 7.75%	\$ 1,000,000	\$ 986,250	\$ 1,033,700
<i>Commercial Paper—</i>			
C.I.T. Financial Corporation, 8.518% Note, due December 7, 1973	\$ 1,285,000	\$ 1,285,000	\$ 1,285,000
Ford Motor Credit Company, Note	33,000	33,000	33,000
Ford Motor Credit Company, 8.90% Note, due December 12, 1973	1,815,000	1,815,000	1,815,000
General Motors Acceptance Corporation, Note	382,000	382,000	382,000
General Motors Acceptance Cor- poration, Promissory Note U/A, dated February 20, 1969, due on demand	1,356,000	1,356,000	1,356,000
Honeywell Finance Corporation, Promissory Note U/A, dated November 17, 1969, due on demand	119,000	119,000	119,000
International Harvester Credit Corporation, VPN Commercial Paper Note, due on demand	83,000	83,000	83,000

EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Commercial Paper (continued)—</i>			
International Harvester Credit Corporation, Promissory Note U/A, dated March 18, 1968, due on demand	583,000	583,000	583,000
Montgomery Ward Credit Corporation, 9.625% Note, due December 3, 1973	2,000,000	1,983,708	1,983,708
Montgomery Ward Credit Corporation, 8.90% Note, due December 10, 1973	1,100,000	1,091,570	1,091,570
J.C. Penney Financial Corporation, 8.528% Note, due December 10, 1973	1,800,000	1,800,000	1,800,000
Sears Roebuck Acceptance Corporation, VPN Commercial Paper Note, due on demand	22,000	22,000	22,000
Sears Roebuck Acceptance Corporation, Promissory Note U/A, dated December 6, 1966, due on demand	282,000	282,000	282,000
Sears Roebuck Acceptance Corporation, 8.771% Note, due December 3, 1973	1,585,000	1,585,000	1,585,000
Sears Roebuck Acceptance Corporation, 9.625% Note, due December 18, 1973	1,500,000	1,488,370	1,488,370
Total commercial paper	<u>\$13,945,000</u>	<u>\$13,908,648</u>	<u>\$13,908,648</u>
<i>Corporate Notes, Bonds and Debentures—</i>			
American Brands, Inc., 8.875% Registered Note, due May 15, 1975	1,000,000	1,014,167	1,027,500
American Telephone & Telegraph, 3.25%, due September 15, 1984	1,000,000	689,175	691,250
Appalachian Power Company, First Mortgage, 8.625% Registered Bond, due October 1, 1975-76	1,000,000	1,011,336	1,016,250

## EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Corporate Notes, Bonds and Debentures (continued)—</i>			
Bank America Corporation, 6.625% Note, due February 1, 1980	1,000,000	996,392	955,000
Burroughs Corporation, 9% Regis- tered Note, due May 1, 1975	1,000,000	1,013,980	1,030,000
Chemical New York Corporation, 6.625%, due April 15, 1980	500,000	487,126	465,625
Chrysler Financial Corporaton, 7.70% Registered Debenture, due March 1, 1992	500,000	500,000	473,750
Commonwealth Edison Company, 6.75%, due July 1, 1998	500,000	450,605	435,625
Dart Industries, Inc., 7.50% Sinking Fund Debenture, due April 1, 1996	250,000	248,883	225,000
Dow Chemical Company, 8.90% Registered Sinking Fund Deben- ture, due November 1, 2000	500,000	536,914	540,000
Farmers Home Administration, 7.875%, due June 30, 1981	501,988	501,988	508,263
Federal Home Loan Bank Con- solidated, 8.75%, due February 15, 1976	500,000	500,690	519,000
Federal Intermediate Credit Banks System, 8.65%, due May 1, 1974	500,000	501,114	501,000
Federated Department Stores, 8.375% Sinking Fund Deben- ture, due September 30, 1995	500,000	537,032	512,500
First Chicago Corporation, 6.75% Registered Note, due November 1, 1980	500,000	500,000	480,000
Florida Power & Light Company, 8.125%, due February 15, 1980	500,000	503,045	504,375
Florida Power & Light Company, First Mortgage, 7.625% Regis- tered Bond, due January 1, 2001	250,000	250,000	235,625

EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Corporate Notes, Bonds and Debentures (continued)—</i>			
Ford Motor Company, 7.125% Note, due July 15, 1977	2,000,000	2,048,720	2,010,000
General Motors Acceptance Corpo- ration, 7.75% Registered Deben- ture Bond, due October 1, 1994	500,000	507,322	505,000
Household Finance Corporation, 7.60% Registered Note, due July 1, 1974	15,000	15,024	14,812
International Paper Company, 4.25% Convertible Subordinated Debenture, due November 1, 1996	500,000	553,822	402,500
Minneapolis Gas Company, 7.875% Sinking Fund Debenture, due December 1, 1996	350,000	350,000	339,938
Mobil Oil Corporation, 7.375% Registered Debenture Bond, due October 1, 2001	1,000,000	1,000,000	972,500
Mountain States Telephone & Tele- graph, 7.75% Registered Deben- ture, due June 1, 2013	500,000	500,000	491,250
National Cash Register Company, 7.70% Registered Sinking Fund Debenture Bond, due July 15, 1994	500,000	489,967	476,625
National Steel Corporation, 8.00% First Mortgage Debenture, due December 1, 1995	250,000	256,851	250,000
Northern Indiana Public Service, 8.125% First Mortgage Series U— Registered, due July 15, 2003	500,000	499,753	503,125
Ohio Bell Telephone Company, 7.875% Debenture—Registered, due October 1, 2013	500,000	495,513	497,500
Ohio Edison Company, 8.125% First Mortgage—Registered, due September 1, 2003	500,000	506,865	503,125

## EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Corporate Notes, Bonds and Debentures (continued)—</i>			
Pacific Gas & Electric, 7.75% Registered Bond, due June 1, 2005	500,000	496,299	485,625
Pennzoil Company, 8.375% Deben- ture, due March 1, 1996	249,000	249,556	249,000
Pittston Company, 4.00% Convertible Subordinated Debenture, due July 1, 1997	500,000	500,000	260,000
Sears Roebuck Acceptance Cor- poration, 4.625% Debenture, due May 1, 1977	150,000	138,551	136,313
Singer Credit Corporation, 7.125% Senior Note, due February 15, 1979	500,000	500,000	465,000
Southern Bell Telephone Company, 7.625% Registered Bond, due March 15, 2013	500,000	502,468	488,125
Southern California Edison, First Mortgage, 3.625% and Refunding Bond—Series E, due August 15, 1978	365,000	314,312	304,775
Southern Natural Gas Company, 7.70% Sinking Fund Debenture, due April 1, 1991	250,000	250,000	239,687
Southern Pacific Transportation Company, 7.75% Series #62 Equipment Trust, due October 15, 1986	500,000	500,000	500,000
Standard Oil of Ohio, 7.60% Registered Sinking Fund Deben- ture, due July 1, 1999	500,000	490,780	480,000
Texaco, Inc., 7.75% Registered Debenture Bond, due June 1, 2001	500,000	500,000	507,500
Texas Eastern Transmission Corpo- ration, First Mortgage, 8.70%, due October 1, 1989	201,000	204,116	205,020

EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Corporate Notes, Bonds and Debentures (continued)—</i>			
Union Oil Company of California, 8.25% Registered Debenture, due June, 1975-76	1,000,000	1,005,666	1,015,000
United States Plywood Champion Corporation, 8.00% Debenture, due March 1, 1996	250,000	251,116	230,625
Washington Metropolitan Area Transit Authority, 7.35% Mo-VA- D.C.—Series B Sinking Fund Bond, due July 1, 2012	1,000,000	960,419	960,000
Western Electric, 8.375% Registered Sinking Fund Debenture, due October 1, 1995	500,000	540,077	518,125
Western Union Telegraph Com- pany, 8.45% Sinking Fund Deben- ture, due March 15, 1996	350,000	353,397	336,000
Weyerhaeuser Company, 8.125% Registered Note due October 1, 1976	1,000,000	1,008,338	1,010,000
Total corporate notes, bonds and debentures	<u>\$26,431,988</u>	<u>\$26,231,379</u>	<u>\$25,477,933</u>
<i>Common Stocks—</i>			
Aetna Life & Casualty Company	10,200	\$ 605,800	\$ 730,575
Air Products & Chemicals, Inc.	29,626	810,806	1,299,841
American Air Filter Company, Inc.	20,000	626,240	337,500
American Express Company	15,600	596,025	692,250
American Home Products Corporation	13,500	337,309	541,688
American Hospital Supply Corporation	23,500	1,002,038	895,937
American Reserve Corporation	25,000	898,444	365,625
American Telephone & Telegraph Company	25,000	1,136,655	1,171,875
Armstrong Cork	60,000	1,459,259	1,432,500
B & F Groves	638	475,000	475,000
Becton Dickenson & Company	18,000	841,475	693,000
Bendix Corporation	30,000	1,285,230	787,500

## EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Common Stocks (continued)—</i>			
Beneficial Corporation	33,000	1,277,294	792,000
Betz Laboratories	22,000	516,175	902,000
Black & Decker Manufacturing Company	10,400	717,951	1,107,600
Burroughs Corporation	10,100	1,261,243	2,224,525
Caldor, Inc.	27,562	935,856	223,941
Capital Holding Corporation	38,400	835,707	1,075,200
Carrier Corporation	32,000	820,127	444,000
Caterpillar Tractor Company	28,300	1,381,503	1,885,488
Chrysler Corporation	30,000	1,051,421	483,750
Clark Equipment Company	14,600	846,780	604,075
Clorox Company	27,000	858,969	371,250
Connecticut General Life Insurance Company	14,850	600,188	736,931
A. T. Cross & Company—Class A	14,000	829,376	745,500
Dart Industries	15,852	615,591	249,669
Deere & Company	25,000	563,126	1,240,625
Delta Air Lines	14,000	763,820	523,250
DeSoto, Inc.	35,000	757,077	345,625
Dow Chemical Company	22,000	839,693	1,149,500
Dun & Bradstreet Companies	14,000	423,410	504,000
DuPont de Nemours	5,000	697,719	763,750
Eastman Kodak Company	27,000	2,638,120	3,084,750
Emerson Electric Company	26,000	955,528	1,163,500
Engelhard Minerals & Chemicals	30,000	887,403	480,000
Exxon Corporation	21,000	1,924,796	1,884,750
Fedders Corporation	23,000	968,116	258,750
Federated Department Stores	24,000	1,116,404	723,000
First Bank System, Inc.	21,000	885,263	1,325,625
First National City Corporation	27,400	546,525	1,185,050
Fischbach & Moore, Inc.	16,000	789,462	768,000
Freeport Minerals Company	25,000	668,830	618,750
General Electric Company	18,000	1,203,652	1,136,250
General Mills, Inc.	16,000	815,625	908,000
General Motors Corporation	18,000	1,473,195	877,500
W. W. Grainger, Inc.	32,000	522,649	1,144,000
Halliburton Company	7,500	513,816	1,318,125
Hewlett-Packard Company	10,000	441,443	775,000
Honeywell, Inc.	7,000	719,786	549,500



EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Common Stocks (continued)—</i>			
Houston Natural Gas Corporation	40,000	869,111	1,045,000
International Business Machines Corporation	19,313	5,386,710	5,117,945
International Telephone & Telegraph Corporation	56,000	2,729,833	1,568,000
Jonathon Logan, Inc.	10,700	621,069	173,875
Kellogg Company	60,000	895,902	855,000
Lincoln National Corporation	15,000	609,130	579,375
Lubrizol, Inc.	18,000	830,594	641,250
Marcor, Inc.	20,000	681,930	415,000
Marlennan Corporation	29,600	1,743,121	1,272,800
Maryland National Corporation	5,000	307,500	273,750
May Department Stores Company	28,700	1,115,948	692,388
Maytag Company	25,000	850,785	637,500
Minnesota Mining & Manufacturing Company	68,370	2,374,810	5,341,406
J. P. Morgan & Company	35,000	1,621,210	2,183,125
Motorola, Inc.	18,000	824,196	956,250
Nalco Chemical Company	27,000	755,670	897,750
Norton Simon, Inc.	34,914½	929,469	654,647
J. C. Penney Company	11,000	709,662	734,250
Pennsylvania Life Company	40,000	1,009,375	85,000
Pennzoil Company	50,000	1,470,223	1,143,750
Pfizer, Inc.	25,000	1,011,991	1,068,750
Phillips Petroleum Company	45,000	1,830,299	2,835,000
Pillsbury Company	16,000	757,947	584,000
Pinkerton's, Inc.	23,500	1,640,313	505,250
Polaroid Corporation	8,000	825,829	590,000
Procter & Gamble Company	16,000	1,368,477	1,520,000
Quaker Oats Company	23,700	830,118	731,737
RCA Corporation	37,400	1,390,425	691,900
D. S. Revco, Inc.	17,000	813,179	533,375
Rorer-Amchem, Inc.	30,000	977,196	952,500
Schering-Plough Corporation	18,000	684,228	1,327,500
Schlumberger Ltd.	13,200	508,217	1,752,300
Sears Roebuck & Company	14,000	1,237,313	1,142,750
SEDCO, Inc.	15,000	524,818	898,125
Seven-Up Company	25,000	763,000	665,625
Simmons Company	25,000	855,684	375,000
Southern Company	80,000	1,538,009	1,230,000

## EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>Common Stocks (continued)—</i>			
Southern Natural Resources, Inc.	20,000	1,021,772	977,500
Sperry Rand Corporation	30,000	949,861	1,413,750
Squibb Corporation	10,100	852,018	901,425
Standard Oil Company of California	45,000	1,309,557	1,293,750
Standard Oil Company of Ohio	16,000	643,381	1,200,000
Sterling Drug, Inc.	25,000	893,701	721,875
Tampax, Inc.	10,000	940,000	727,500
Texas Instruments, Inc.	8,000	563,652	912,000
Trane Company	18,000	1,033,528	591,750
Union Oil of California	35,000	1,330,897	1,553,125
Upjohn Company	15,000	1,083,135	1,295,625
Utah International, Inc.	3,500	177,043	184,188
Whirlpool Corporation	22,488	603,278	559,389
Winter Park Telephone Company	17,760	131,350	193,140
Xerox Corporation	24,000	2,783,871	3,036,000
Total common stock		<u>\$101,948,254</u>	<u>\$102,229,410</u>
<i>Notes and Mortgages Receivable—</i>			
Herschel S. Arrowood, noninterest bearing Promissory Note	\$ 30,000	\$ 20,089	\$ 20,089
Hi-Acres, Inc., 5% Mortgage Note	321,428	321,428	321,428
Milton H. & Leona W. Lindback, noninterest bearing Mortgage Note	9,000	6,154	6,154
Park Properties, Inc., 7% Promissory Note	264,110	264,110	264,110
Plews Oiler, Inc., 3% Mortgage Notes	3,334	3,110	3,110
Warren's, Inc.	3,500	3,500	3,500
Total notes and mortgages receivable	<u>\$ 631,372</u>	<u>\$ 618,391</u>	<u>\$ 618,391</u>
Total investments		<u>\$145,156,029</u>	<u>\$144,736,627</u>

## The Bush Foundation

STATEMENT OF GRANTS FOR THE YEAR ENDED  
NOVEMBER 30, 1973

Organization	Unpaid Balance 1972	Appro- priated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>ARTS AND HUMANITIES:</i>				
<i>Museums—</i>				
The Science Museum of Minnesota	\$ 36,600	\$ . . . . .	\$ 36,600	\$ . . . . .
<i>Music and Opera—</i>				
Metropolitan Opera Association, Inc.	. . . . .	15,000	15,000	. . . . .
Metropolitan Youth Orchestras	6,000	. . . . .	6,000	. . . . .
Minnesota Opera Company	. . . . .	40,000	40,000	. . . . .
Minnesota Orchestral Association:				
Operating support	200,000	. . . . .	100,000	100,000
Building	750,000	250,000	. . . . .	1,000,000
The Orchestral Associaton, Chicago	75,000	. . . . .	25,000	50,000
<i>Theater—</i>				
Guthrie Theater Foundation	. . . . .	75,000	75,000	. . . . .
<i>Other Arts and Humanities—</i>				
The Minneapolis Society of Fine Arts	600,000	. . . . .	200,000	400,000
Minnesota Historical Society:				
Operating Support	10,000	. . . . .	10,000	. . . . .
Minnesota Ethnic Program	. . . . .	20,000	10,000	10,000
Map Restoration Program	. . . . .	12,500	6,250	6,250
Minnesota State Arts Council	. . . . .	64,402	25,568	38,834
The Newberry Library	. . . . .	50,000	. . . . .	50,000
Saint Paul Council of Arts Sciences:				
Operating Support	125,000	212,000	200,000	137,000
Poets in the Schools Program	45,000	. . . . .	30,000	15,000

EXHIBIT 2 (Continued)

Organization	Balance Unpaid 1972	Appropriated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>ARTS AND HUMANITIES (continued):</i>				
Spring Hill Conference Center . . . .		60,000	40,000	20,000
Walker Art Center Inc. . . . .	29,550	200,000	14,775	214,775
<i>EDUCATION:</i>				
<i>Private Elementary and Secondary Education-</i>				
American Field Service, Inc. . . . .	24,300		10,800	13,500
Project Discovery . . . . .	66,000		66,000	
Saint Paul Academy/Summit School . . . . .	25,175	72,200	61,275	36,100
Independent School District #911, Cambridge Public Schools . . . . .		29,977	17,995	11,982
<i>Public Elementary and Secondary Education-</i>				
Independent School District #894, Granite Falls Public Schools:				
Bush Vocational Building . . . . .	22,500		22,500	
Teacher Scholarships . . . . .		8,000	4,000	4,000
Independent School District #1, Minneapolis Public Schools . . . . .		30,000		30,000
Independent School District #625, Saint Paul Public Schools . . . . .		194,000		194,000
Independent School District #793, Staples Public Schools . . . . .		109,750	39,750	70,000
<i>Private Higher Education-</i>				
Augsburg College:				
Alumni Challenge . . . . .		75,000		75,000
Urban Studies Program . . . . .	15,000		15,000	
Bush Opportunity Grants:	1,150,805			916,415
Augsburg College . . . . .			34,350	
Bethel College . . . . .			3,400	
Carleton College . . . . .			500	
College of Saint Benedict . . . . .			4,500	
College of Saint Catherine . . . . .			12,300	
College of Saint Scholastica . . . . .			10,900	
College of Saint Teresa . . . . .			4,833	

EXHIBIT 2 (Continued)

Organization	Balance Unpaid 1972	Appropriated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>EDUCATION (continued):</i>				
College of Saint Thomas			22,800	
Concordia College, Moorhead			14,425	
Concordia College, Saint Paul			3,300	
Gustavus Adolphus College			10,466	
Hamline University			76,590	
Macalester College			11,775	
Minneapolis College of Art and Design			5,775	
Saint John's University			12,475	
Saint Mary's College			500	
Saint Olaf College			5,500	
Carleton College	. . . .	100,000	. . . .	100,000
College of Saint Thomas	75,000	75,000	75,000	75,000
College of Saint Scholastica:				
Alumni Challenge	. . . .	65,000	. . . .	65,000
Circuit Riding Professor				
Program	59,160	. . . .	39,440	19,720
Concordia College, Moorhead	61,000	. . . .	32,400	28,600
Erikson Institute for Early				
Education	30,000	100,000	30,000	100,000
Gustavus Adolphus College	150,000	. . . .	50,000	100,000
Hamline University:				
Alumni Program	. . . .	65,000	. . . .	65,000
Learning Center	355,000	. . . .	. . . .	355,000
Macalester College	100,000	75,000	100,000	75,000
Minnesota Private College				
Fund	400,000	. . . .	200,000	200,000
Northland College	. . . .	60,000	40,000	20,000
Saint John's University	. . . .	77,000	. . . .	77,000
Tulane University:				
Biomedical Engineering				
Program	60,000	. . . .	60,000	. . . .
Medical Center	. . . .	500,000	100,000	400,000
The University of Chicago	67,500	135,000	101,250	101,250
<i>Public Higher Education—</i>				
Minnesota Arboretum				
Foundation	96,200	. . . .	96,200	. . . .
Tri-College University	31,446	75,000	31,446	75,000
University of Minnesota:				
Bush Theater Fellowships	68,100	156,780	68,100	156,780
Cardiovascular Research	60,750	. . . .	60,750	. . . .

EXHIBIT 2 (Continued)

Organization	Balance Unpaid 1972	Appropriated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>EDUCATION (continued):</i>				
Center for Youth Development	60,000	.....	60,000	.....
Diabetes Research	.....	204,926	37,234	167,692
Duluth Medical School	.....	215,028	.....	215,028
Graduate School Evaluation	.....	115,000	.....	115,000
Human Sexuality Program	347,388	.....	176,585	170,803
Peer Teaching	.....	25,000	25,000	.....
University of Minnesota Foundation:				
Leukemia Research Fund	175,000	.....	100,000	75,000
<i>Other Education—</i>				
Freshwater Biological Research Foundation	200,000	100,000	200,000	100,000
Minnesota State Council on Economic Education	24,300	.....	13,400	10,900
North Star Research and Development Institute	20,000	.....	20,000	.....
<i>HEALTH:</i>				
<i>Hospitals and Nursing Homes—</i>				
Anoka State Hospital	.....	630	630	.....
Mary Lee DePugh Nursing Home	.....	100,000	.....	100,000
Ravenswood Hospital Medical Center	100,000	.....	100,000	.....
<i>Medical Education—</i>				
Children's Hospital Association, Inc.	20,000	.....	20,000	.....
Health Education Institute, Inc.	.....	50,000	50,000	.....
Mayo Foundation	900,000	.....	200,000	700,000
Meharry Medical College	125,000	.....	50,000	75,000
Minnesota Health Careers Council	.....	100,000	48,000	52,000
Rush-Presbyterian-St. Luke's Medical Center	425,000	.....	275,000	150,000
<i>Other Health—</i>				
Metro Area Community Health	.....	20,000	.....	20,000

EXHIBIT 2 (Continued)

Organization	Balance Unpaid 1972	Appropriated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>Health (continued):</i>				
Minnesota Systems Research, Inc.	.....	65,100	65,100	.....
The Psychoanalytic Foundation of Minnesota	50,000	.....	25,000	25,000
Ramsey Action Programs, Inc.: West Side Health Center	33,500	.....	22,500	11,000
<i>WELFARE AND SOCIAL SERVICES:</i>				
<i>Church and Church Organizations—</i>				
Academy of Parish Clergy, Inc.	5,000	.....	5,000	.....
Central Baptist Children's Home	120,000	.....	.....	120,000
<i>Health and Rehabilitation—</i>				
Dakota's Children, Inc.	.....	35,000	35,000	.....
Granville House, Inc.	.....	30,000	30,000	.....
Hands, Inc.	.....	28,000	28,000	.....
Melmark Home, Inc.	.....	100,000	100,000	.....
Minnesota Society for Crippled Children and Adults, Inc.	200,000	.....	100,000	100,000
Northern Minnesota Therapeutic Camp, Inc.	20,000	12,360	20,000	12,360
Occupational Training Center, Inc.	.....	83,762	66,732	17,030
Range Center, Inc.	25,000	.....	25,000	.....
Rehabilitation Institute of Chicago	.....	105,000	35,000	70,000
Saint Paul American Indian Center	.....	10,000	10,000	.....
Saint Paul Drug Rehabilitation Center, Inc.	25,600	27,048	25,600	27,048
Saint Paul Society for the Blind	.....	17,000	17,000	.....
The Hazelden Foundation	.....	36,000	12,000	24,000
Union Gospel Mission Association of Saint Paul	500,000	.....	100,000	400,000
Washburn Child Guidance Center	100,000	.....	50,000	50,000

EXHIBIT 2 (Continued)

Organization	Balance Unpaid 1972	Appro- priated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>Welfare and Social Services (continued):</i>				
Willing Hands, Inc. . . . .		46,160	31,260	14,900
<i>United Funds—</i>				
Greater Saint Paul United Fund and Council, Inc.:				
Annual Support	70,000		70,000	. . . . .
REAP Program . . . . .		20,000	20,000	. . . . .
United Appeal of Orange County, Inc.	10,000	10,000	10,000	10,000
United Way of Greater Duluth, Inc.:				
Home for Aged	20,000		20,000	. . . . .
Home for Children . . . . .		100,000	50,000	50,000
United Way of the Saint Paul Area . . . . .		150,000	. . . . .	150,000
<i>Youth and Family Services—</i>				
Boy's Clubs of Minneapolis	20,000		. . . . .	20,000
Boy Scouts of America:				
Indianhead Council, Inc.	35,000		20,000	15,000
Enablers, Inc. . . . .		30,000	. . . . .	30,000
Greater Saint Paul Council for Coordinated Child Care, Inc.	20,053		14,553	5,500
Migrants in Action, Inc. . . . .		23,000	3,000	20,000
Newman Center	5,000		5,000	. . . . .
Quality Child Care, Inc. . . . .		7,050	. . . . .	7,050
Saint Paul Young Men's Christian Association	44,100		44,100	. . . . .
Union Gospel Mission Asso- ciation of Saint Paul . . . . .		38,000	23,000	15,000
Wisconsin Council of Churches . . . . .		22,967	22,967	. . . . .
<i>Other Welfare and Social Services—</i>				
Community Design Center	25,000		15,000	10,000
Community Development Corporation . . . . .		66,000	33,000	33,000
Metropolitan Economic Development Association	25,000		25,000	. . . . .
The Saint Paul Foundation	5,866	(5,866)	. . . . .	. . . . .



EXHIBIT 2 (Continued)

Organization	Balance Unpaid 1972	Appro- priated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>OTHER:</i>				
<i>Communications—</i>				
Chicago Educational Tele- vision Association	75,000	.....	75,000	.....
Minnesota Educational Radio, Inc.	60,000	.....	30,000	30,000
Three Prong Television Productions, Inc.	75,000	170,000	75,000	170,000
Twin City Area Educational Television Corporation	51,023	6,206	40,221	17,008
<i>Environment—</i>				
Collier County Conservancy, Inc.	50,000	.....	50,000	.....
The Conservation Foundation	22,300	.....	22,300	.....
Minnesota Environmental Sciences Foundation, Inc.	10,000	75,000	60,000	25,000
Minnesota Geographic Society	.....	46,750	.....	46,750
Minnesota Parks Foundation	.....	130,000	.....	130,000
The Nature Conservancy	.....	161,300	137,417	23,883
<i>Law and Corrections—</i>				
AMICUS, Inc.	50,000	.....	30,000	20,000
Correctional Service of Minnesota	31,640	11,919	43,559	.....
Hennepin County Court Services	17,500	.....	17,500	.....
National Center for State Courts	.....	32,750	32,750	.....
National Conference of Commissioners on Uniform State Laws	10,000	.....	5,000	5,000
State of Minnesota: Ombudsman for Corrections	.....	135,421	67,721	67,700
<i>Miscellaneous—</i>				
Council on Foundations, Inc.	75,000	.....	30,000	45,000
Foundation Center, Inc.	.....	60,000	20,000	40,000
Minnesota State Planning Agency	3,500	(125)	3,375	.....

EXHIBIT 2 (Continued)

Organization	Balance Unpaid 1972	Appro- priated 1973	Amount Paid 1973	Unpaid Balance 1973
<i>OTHER (continued):</i>				
Planned Parenthood of Minnesota	60,000	. . . .	40,000	20,000
Upper Midwest Council	. . . .	75,000	. . . .	75,000
<i>Bush Leadership Fellows Program—</i>				
1970 Program	13,000	. . . .	. . . .	13,000
1971 Program	32,750	. . . .	13,500	19,250
1972 Program	90,690	. . . .	61,185	29,505
1973 Program	191,100	. . . .	83,295	107,805
1974 Program	. . . .	204,500	. . . .	204,500
Totals	<u>\$9,469,396</u>	<u>\$6,097,495</u>	<u>\$5,882,972</u>	<u>\$9,683,918</u>