

1979

*The* BUSH FOUNDATION

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1979





**Archibald Granville Bush**



**Mrs. Archibald Granville Bush**

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THE  
**BUSH** FOUNDATION

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*Annual Report for the Fiscal Year  
Ended November 30, 1979*

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# THE BUSH FOUNDATION

REPORT FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1979

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George C. Power, Jr., *Secretary*  
John A. McHugh, *Treasurer*  
Frank Hammond, *Assistant Secretary and General Counsel*

## STAFF

Humphrey Doermann, *President*

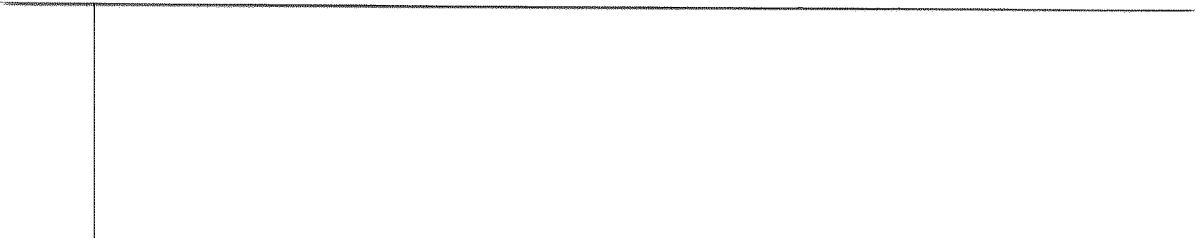
Grant Program Activity:  
Stanley Shepard, *Senior Program Associate*. John Archabal, *Program Associate*. Linda Nyvall, *Program Associate*. Elizabeth Pegues, *Program Associate*.

Business Management:  
Harold V. Neece, *Business Manager*. Marie B. Lampe, *Bookkeeper*.

Staff Services:  
Linda M. Young, *Executive Secretary*. Patricia L. Collis, *Secretary*. Kim S. Cassidy, *Secretary*. Sharon C. St. Germain, *Secretary*.

Address: E-900 First National Bank Building, Saint Paul, Minnesota, 55101. Telephone: 612-227-0891.

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# THE BUSH FOUNDATION

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The Bush Foundation, established by Mr. and Mrs. Archibald Granville Bush of Saint Paul, Minnesota, was incorporated February 24, 1953, under the Minnesota Nonprofit Corporation Act, to encourage and promote charitable, scientific, literary and education 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 health. Geographically, the Foundation's grants have been principally in Minnesota, North Dakota and South Dakota, with several grants in the Chicago area.

The income available to the Foundation represents the investment yield from assets given the Foundation by Mr. and Mrs. Archibald Granville 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, 1979, The Bush Foundation granted financial assistance to one hundred projects in the United States. The sections which follow the Report of the Chairman of the Board outline the Foundation's major grantmaking interests, describe the Foundation's grantmaking policies and procedures, and list the Foundation's grants in 1979.

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## REPORT OF THE CHAIRMAN

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The Bush Foundation Board of Directors appropriated \$11,987,345 in new grant commitments during 1979, an increase of 24 percent over the prior year and the largest annual total in the Foundation's history. Grant payments were \$8,302,828, quite close to the figure for the prior year.

The past year was a year in which Board and staff attention was devoted, more than in the prior three years, to developing and strengthening already approved programs rather than initiating new ones. These continuing programs include: support of major regional arts organizations; support for four fellowship programs; continuation of a program of matching capital grants for private colleges in Minnesota and the Dakotas; continuation of a joint program with the William and Flora Hewlett Foundation which awards alumni challenge grants to twenty-eight historically black private colleges in the southeastern United States; and support for a network of university centers to work in the joint field of child development and public policy.

The alumni challenge and child development grants have created a significant flow of Foundation payments outside of Minnesota, the Dakotas, and Chicago — our usual grantmaking region. The Foundation Board retains its view, however, that The Bush Foundation is and should be predominantly a regional institution.

In both of the above programs, the maximum level of out-of-region expenditure was determined in advance by the Board. While this cautious approach towards grantmaking outside our normal region could shift, I do not foresee such a change in the near future.

The Foundation Board in 1979 approved a new regional program of faculty development grants, aimed at improving undergraduate teaching and learning in the 1980's. This program is described in the "Program Notes" section which follows. The results of this activity will be harder to measure than for most of the Foundation's recent large programs in postsecondary education, but the importance and timeliness of the issue appears to outweigh that drawback.

All fifteen Directors continued to serve, while one resignation occurred in the program staff. Emily Galusha, Program Associate, resigned in July to become Director of Special Programs at The McKnight Foundation. She had been a member of the Bush program staff for eight years, giving special emphasis in her work to projects in the arts and humanities. She designed

the Bush Foundation Fellowships for Artists Program, and directed several studies on the financing of major Twin Cities arts organizations. Her work at The McKnight Foundation will emphasize long range planning and program development.

Linda C. Nyvall was appointed Program Associate in September. From 1976 until 1979 she was Education Coordinator for the Walker Art Center in Minneapolis. One of her first major assignments will be to complete a review begun by Emily Galusha of the Foundation's grantmaking program in the arts and humanities.

During 1979, The Bush Foundation continued to report new grant authorizations to newspapers and to radio and television stations, as well as to The Foundation Center's computer data bank in New York. The Foundation staff continued to work with consultants and informal advisors in the preliminary appraisal of grant proposals, as well as in trying to determine what the Foundation should learn from the results of previously approved and completed grant projects.

As in previous years the Foundation participated in public meetings approved by the Minnesota Council on Foundations. On October 18th the Council sponsored a day-long conference on philanthropy at Itasca Community College, Grand Rapids, Minnesota. Approximately 170 persons from northeastern Minnesota attended. Other foundations and companies participating in the program included: Charles K. Blandin Foundation, Otto Bremer Foundation, Burlington Northern Foundation, Dayton Hudson Foundation, Jerome Foundation, The McKnight Foundation, Minnesota Power and Light Company, and Northwest Area Foundation.

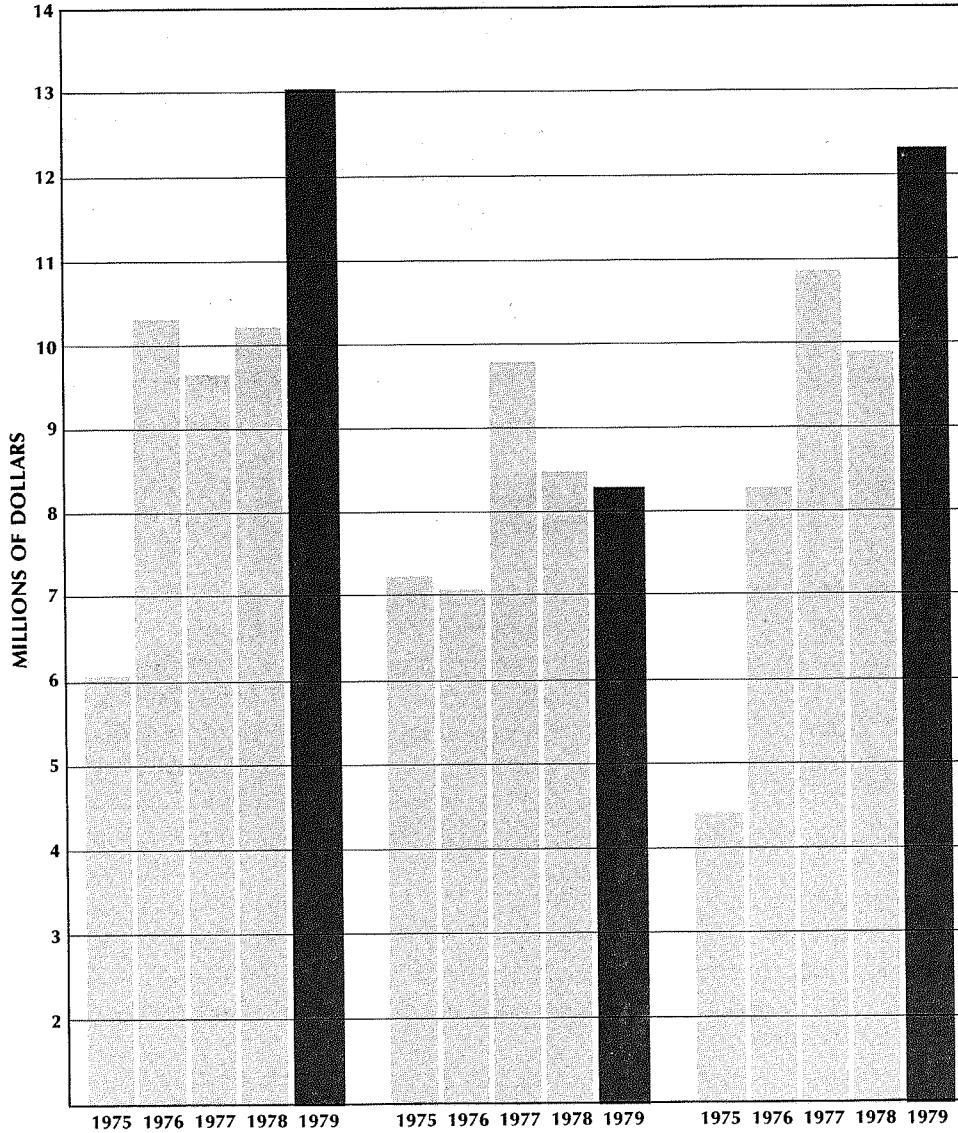
On December 12th, Bush staff took part in panels and workshops at a conference at Metropolitan Community College, Minneapolis. About 340 persons attended. Other foundations and corporations involved in this conference included: Charles K. Blandin Foundation, Otto Bremer Foundation, Cargill Foundation, Dayton Hudson Foundation, Dayton's, First Bank System, General Mills Foundation, Honeywell Fund, Jerome Foundation, The Jostens Foundation, The McKnight Foundation, The Sumner T. McKnight Foundation, The Minneapolis Foundation, Minneapolis Star and Tribune Company, Northern States Power Company, Northwest Area Foundation, Northwestern National Bank of Minneapolis, Northwestern National Bank of Saint Paul, The Ripley Memorial Foundation, The Saint Paul Companies, The Saint Paul Foundation, P. W. Skogmo Foundation, Tennant Company Foundation, The Toro Company, Archie D. and Bertha H. Walker Foundation, and The Wasie Foundation.

The participation of such a large and varied group of foundations and companies in a regular public discussion of their giving programs continues to be a helpful development for all of us.

ELMER L. ANDERSEN  
*Chairman*

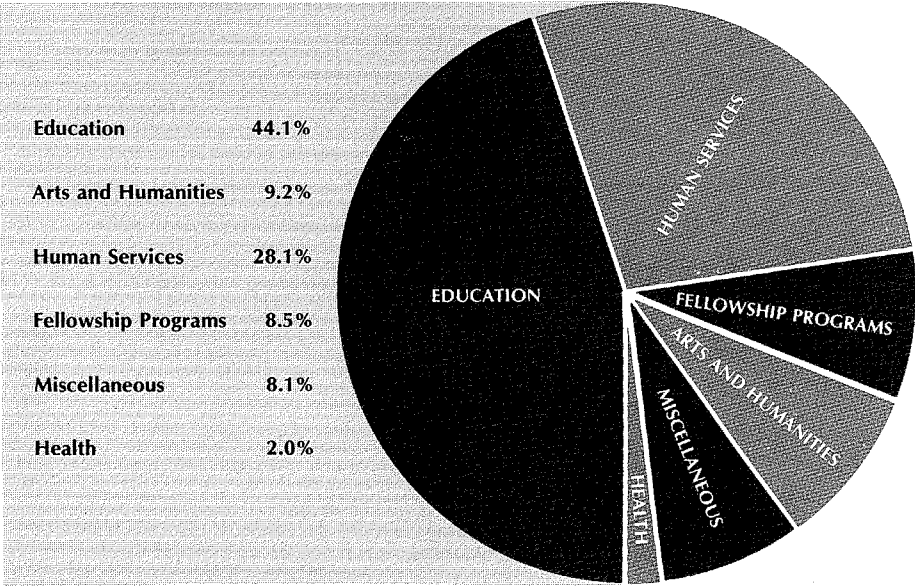
**INCOME FOR GRANTS\* COMPARED WITH  
GRANT PAYMENTS AND NEW COMMITMENTS 1975-1979**

Year	Income For grants	Total Grants Payments	New Commitments
1975	\$ 6,042,075	\$7,285,999	\$ 4,466,726
1976	10,366,396	7,101,108	8,313,227
1977	9,758,694	9,879,189	10,963,157
1978	10,308,370	8,523,182	9,920,654
1979	13,014,791	8,302,828	12,343,814

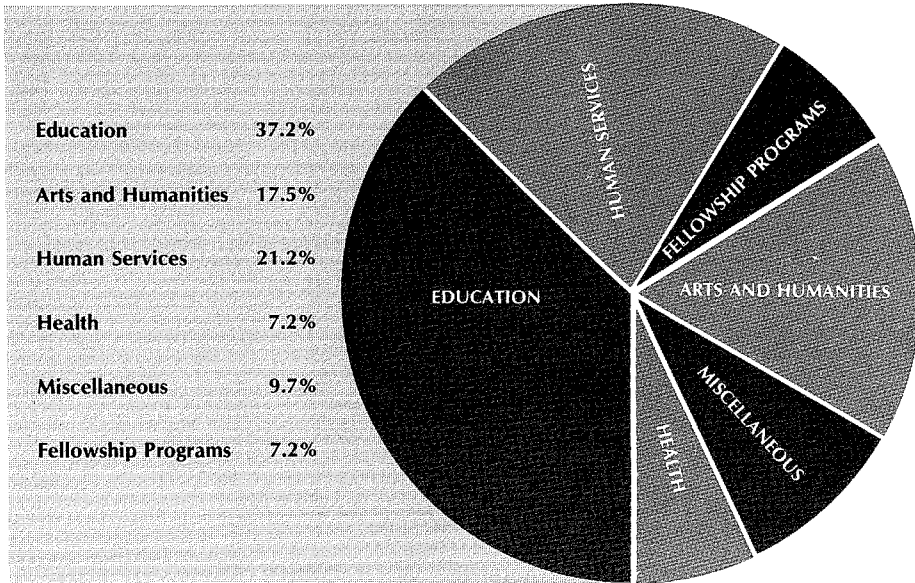


\*Income for grants is the greater of net income or minimum investment return as defined by the Tax Reform Act of 1969, less excise taxes, administrative expenses, and investment expenses.

**DISTRIBUTION OF 1979 FOUNDATION GRANT  
APPROPRIATIONS BY PROGRAM AREA**

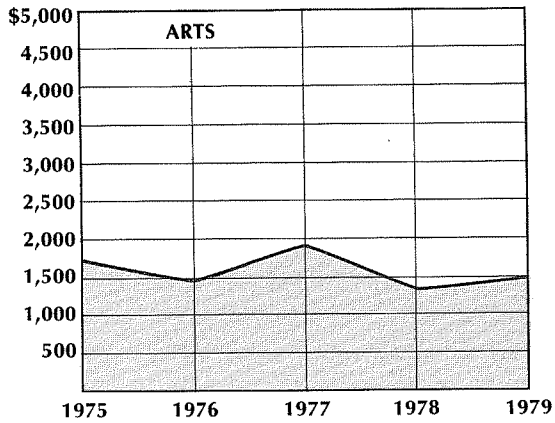


**DISTRIBUTION OF 1979 FOUNDATION GRANT  
PAYMENTS BY PROGRAM AREA**

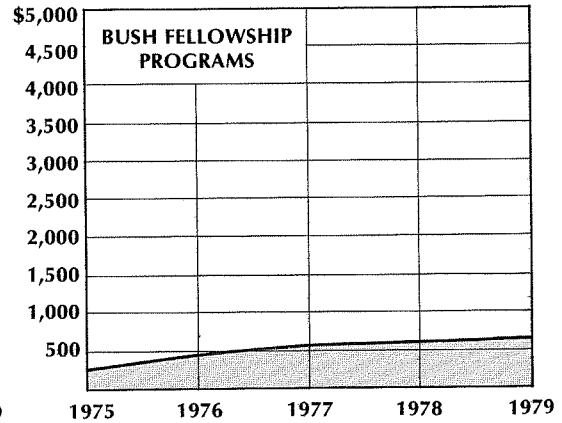
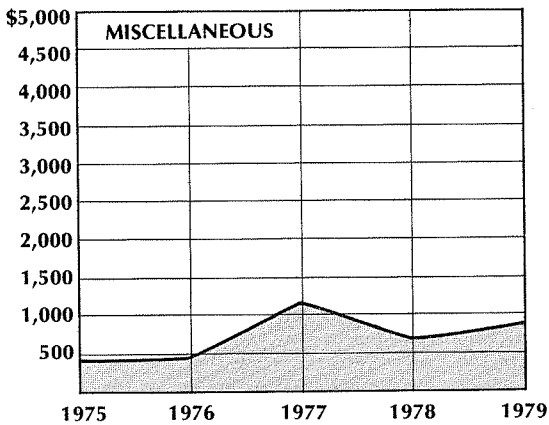
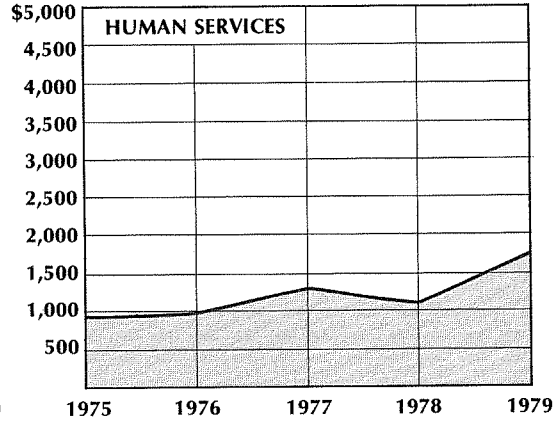
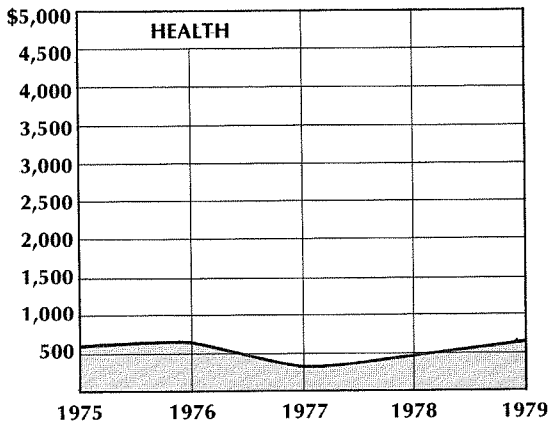
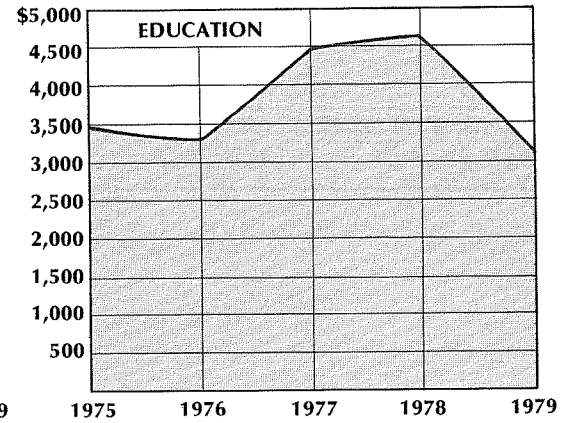


CASH FLOW SUMMARY 1975-1979

(000's omitted)



(000's omitted)



	1975	1976	1977	1978	1979
Arts	\$1,705,567	\$1,407,550	\$1,888,207	\$1,355,129	\$1,455,164
Education	3,433,917	3,295,844	4,487,366	4,518,635	3,090,631
Health	540,412	595,778	348,950	448,903	591,969
Human Services	941,268	957,735	1,383,020	1,053,750	1,761,451
Miscellaneous	393,687	394,370	1,268,924	619,900	807,849
Bush Fellowship Programs	271,149	449,831	502,722	526,865	595,764
<b>TOTALS</b>	<b>\$7,228,999</b>	<b>\$7,101,108</b>	<b>\$9,879,189</b>	<b>\$8,523,182</b>	<b>\$8,302,828</b>

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PROGRAM NOTES



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## PROGRAM NOTES

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In 1979 several of the most significant Bush Foundation grantmaking developments took place within existing programs, although new staff investigations and one major new program also were started.

In 1977 and 1978 The Bush Foundation made major program grants to four universities for training and other activities in the joint field of child development and public policy. In 1979 these four university centers agreed upon a plan of supplementary joint efforts, which should create a worthwhile network of national activity as well.

A 1978 grant of \$900,000 to The Bush Foundation by the William and Flora Hewlett Foundation, Palo Alto, California, permitted rapid expansion in 1979 of a program of matching grants to stimulate annual alumni giving in the historically black private colleges of the southeastern United States — members or former members of the United Negro College Fund (UNCF). The performance of the twenty-eight college participants in this program continues to be impressive.

The anticipated enrollment recession of the 1980's in United States higher education has strongly influenced the timing and content of two Bush programs: one, authorized to operate from 1976 to 1983, matches gifts to capital fund drives among private colleges in Minnesota and the Dakotas; the other, beginning in 1979, emphasizes faculty development for selected public and private sectors of postsecondary education in the same region.

As in the past two years, the 1979 total of new appropriations in education was close to half of the Foundation's annual total of new authorizations. These developments are described in the following paragraphs, along with other elements of change and perspective in the arts, health, human services, and in the Foundation's fellowship programs.

### CHILD DEVELOPMENT

Begun in 1977, the Bush Program in Child Development and Public Policy provides pre-doctoral and post-doctoral training in this joint field to students at four universities located across the United States. The original grants which set up this network of activity were made to Yale University,

New Haven, Connecticut; the University of Michigan, Ann Arbor, Michigan; the University of California at Los Angeles (UCLA); and the University of North Carolina, Chapel Hill, North Carolina. The grants were about \$670,000 each, spread over five years.

At each center, the Bush grant supports pre-doctoral and post-doctoral fellowships, provides seed money for individual student internships and research on public policy issues, and supports efforts to increase public understanding of policy issues relating to children and families. The directors of the four centers are: Dr. Edward Zigler, Professor of Psychology at Yale University; Dr. Harold Stevenson, Professor of Psychology at the University of Michigan; Dr. James J. Gallagher, Director of the Frank Porter Graham Child Development Center at the University of North Carolina; and co-directors Dean John I. Goodlad and Professor of Psychology Norma Feshbach at the Graduate School of Education, UCLA.

In 1979, The Bush Foundation allocated an additional total amount of \$290,296 to support joint activities within this network of four university centers. These network activities are designed to provide information and services to the Bush Fellows in the four established centers, and to strengthen the ability of all four centers to respond to public inquiry and make available the results of their work.

For example, the University of Michigan will use \$98,422 over the next three years to support a program of annual conferences on specific policy issues related to children and families. Conclusions reached at these conferences will be made public. Michigan will also organize "interest group" meetings twice a year involving faculty and students from all the Bush centers who are working on the same issues, such as programs for the gifted or handicapped, day care, or parent education.

Meanwhile, Yale University will assume responsibility for overall network coordination. A part-time network coordinator, Dr. Sharon L. Kagan, will organize and schedule meetings among the center directors, direct network public relations, publish an annual directory of Bush Fellows and faculty at the four centers, and supervise the publication of a quarterly newsletter on activities and training programs within the four Bush centers. This newsletter will be available to interested people both outside and within the Bush network.

UCLA plans to use its 1979 network funds to develop and maintain a national directory of agencies which offer internships to Bush Fellows. These internships last between two and eight weeks, at federal, state, municipal, or private agencies dealing with children and families. The Fellows will report back to the UCLA coordinator on the quality of the internship experience.

The University of North Carolina will develop a job placement directory for Bush Fellows from all centers. Faculty members at each center will provide the names of public and private agencies, interest groups, and other

organizations which they think will be interested in hiring graduates of the Bush centers. Dr. Ronald Haskins at the University of North Carolina will then contact these agencies and obtain information as to the types of jobs available. This information will be compiled in a directory which will be periodically revised and distributed each year to all the Bush centers.

The Bush Foundation has employed three consultants to provide continuing evaluation of the training programs at each Bush center, as well as the various aspects of network activity described above. The chairman of the evaluation group is Dr. Sheldon H. White, Professor of Psychology at Harvard University, Cambridge, Massachusetts. The other members are Dr. Millie Almy, Professor of Education at the University of California at Berkeley, and Dr. Gilbert Y. Steiner, Senior Fellow at the Brookings Institution, Washington, D.C. The evaluation group will visit each of the Bush centers at approximately eighteen-month intervals during the life of each grant. The group will consider the following types of questions:

- What appears to have happened differently at each university as a result of the Bush grant?
- What policy-oriented research has been stimulated under the Bush grant which might not have been carried out otherwise?
- What individuals have been attracted to the combined field of child development/public policy who might not have been attracted without the center's activity?
- What is the record of job placement and career accomplishment of the graduate students participating in center activities?
- Does the recruitment and selection of pre-doctoral and post-doctoral students at each center appear to provide a significant pool of graduate students who have interest and talent for work outside universities, as well as being competent as university teachers and researchers?

Two other major Bush grants were made in 1979 in the field of child development. The Education Development Center, Newton, Massachusetts received \$157,812 over twenty-eight months to support its curriculum project on parent education in the high schools of Minnesota and North Dakota. Minnesota Early Learning Design, Minneapolis, was awarded \$133,000 over two years to support its program which provides counseling services and child care information to local parents.

## **ALUMNI CHALLENGE GRANTS**

A majority of the historically black private colleges, most of them located in the southeastern United States, are in the midst of doubling and sometimes tripling annual receipts to their alumni funds. Yearly matching

grants to help achieve these ambitious goals are provided through a \$3.9 million, eight-year program financed jointly by The Bush Foundation and the William and Flora Hewlett Foundation, Palo Alto, California. The table below summarizes actual alumni fund performance through 1978-79 for the colleges which have participated in the program at least one year, and shows the projected 1979-80 gains for the eleven colleges which are now in their first year under Bush-Hewlett matching grants.

**ALUMNI FUND PERFORMANCE SUMMARY  
FOR HISTORICALLY BLACK PRIVATE COLLEGES WITH  
BUSH-HEWLETT CHALLENGE GRANTS**

	Number of Years With Challenge Grants	Percent Increase In Dollar Receipts Since Beginning Challenges	Percent Increase In Number of Donors Since Beginning Challenges
<b>A. Actual Experience of Participants (One or More Years) Through 1978-79</b>			
Paine College	3	132%	259%
Tougaloo College	3	179	196
Xavier University of Louisiana	3	185	236
Bennett College	2	122%	76%
Fisk University	2	54	47
Saint Augustine's College	2	57	96
Spelman College	2	105	53
Tuskegee Institute	2	222	95
Wiley College	2	80	74
Atlanta University	1	71%	67%
Dillard University	1	51	82
Livingstone College	1	137	19
Miles College	1	51	216
Rust College	1	57	22
Johnson C. Smith University	1	46	66
Talladega College	1	97	85
Wilberforce University	1	74	168
<b>B. Projected First Year Experience for New 1979-80 Participants</b>			
Barber-Scotia College	—	66%	100%
Benedict College	—	55	50
Morris Brown College	—	56	45
Clark College	—	80	75
Hampton Institute	—	35	35
Lane College	—	55	55
LeMoyne-Owen College	—	40	41
Morehouse College	—	57	70
Oakwood College	—	218	218
Paul Quinn College	—	93	73
Saint Paul's College	—	58	60

The first three historically black colleges to enter the program in 1976 were Paine College, Augusta, Georgia; Tougaloo College, Tougaloo, Missis-

ssippi; and Xavier University of Louisiana, New Orleans, Louisiana. If these colleges achieve the targets set for the current year, they will have more than tripled dollar receipts in their alumni funds, tripled the number of active alumni volunteer solicitors, and quadrupled the number of participating alumni contributors.

Early participants in the Bush-Hewlett alumni challenge grant program report that increased alumni solicitors' activity affects more than alumni annual giving. Tougaloo College reports that its 1979 freshman class contains forty students who were recruited by graduates whose first volunteer activity for the college had been work for the alumni fund. Three years ago only five such freshmen were recruited by alumni. Tougaloo and Paine Colleges both have recently appointed new trustees who were not well known to their colleges until they demonstrated their energy and competence as alumni fund volunteer solicitors.

Several of the colleges also note that eventually they will need to devote more energy to raising money for endowment and building renovation, and to seeking major donations through wills, bequests and deferred gifts. Prior attention to a healthy alumni fund, they believe, can make capital fundraising more successful: additional individual prospects will be known, more volunteers will be available and trained, and the major donors — individuals or corporations or foundations — can be assured that the smaller donors are already stretching as much as possible.

Eligible for participation in this program are the forty-two present or former members of the United Negro College Fund, Inc. (UNCF). These historically black colleges form a network of respected institutions with an unusually significant record of service to the nation. They need additional funds, preferably in ways that will help create greater financial independence for them in the long run.

At present, twenty-eight colleges participate in the matching grant program. The Bush Foundation Board has approved a final maximum program size of thirty-two colleges, with the remaining four to be selected in 1980 and perhaps 1981. Under the program, year-to-year increases in receipts in a college's alumni fund are matched on a dollar-for-dollar basis. Incentives are also provided to stimulate increases in the number of alumni donors. Although grants are made on an annual basis, a series of grants at each participating college typically lasts at least two and not more than five years, and ends when the incentives no longer seem able to stimulate significant changes in alumni fund performance.

## **MATCHING CAPITAL GRANTS FOR COLLEGES**

In April 1976, the Bush Board of Directors voted that for the following seven years it would consider proposals for matching capital grants from

accredited four-year private colleges in Minnesota and the Dakotas. Ordinarily, these requests are not considered until a college has completed at least half of the final goal of its announced fund drive. Requests are considered on a case by case basis, giving particular attention to the underlying quality of planning in each instance. Individual grants have ranged in size from \$125,000 to \$800,000, depending on the total size of the fund drive, the availability of matching funds from other sources, and the nature of the plan which the college is attempting to complete. The estimated average grant size is about five percent of the total amount of capital funds sought by a participating college, although the percentage in any individual instance may be different.

The Foundation has authorized the following individual grants since 1976. Several more such proposals will probably be considered between 1980 and 1983, when the program is expected to end.

College	Amount Approved	Year	Purpose of Bush Grant
Carleton College Northfield, Minnesota	\$800,000	1976	Endow library acquisitions
Augsburg College Minneapolis, Minnesota	\$340,000	1977	Contribute to capital fund drive
Gustavus Adolphus College Saint Peter, Minnesota	\$600,000	1978	Endow library acquisitions and add to unrestricted endowment
Saint Olaf College Northfield, Minnesota	\$800,000	1978	Endow library acquisitions and library operating costs
Mary College Bismarck, North Dakota	\$125,000	1978	Add to unrestricted endowment
College of Saint Thomas Saint Paul, Minnesota	\$425,000	1979	Contribute to capital fund drive
Concordia College Moorhead, Minnesota	\$500,000	1979	Contribute to capital fund drive
Hamline University Saint Paul, Minnesota	\$750,000	1979	Contribute to the undergraduate purposes within the capital fund drive
Saint John's University Collegeville, Minnesota	\$333,000	1979	Contribute to capital fund drive

The matching incentives in this program follow one of two different patterns, depending upon the fundraising strategy which best fits an institution's circumstances. Usually, The Bush Foundation matches gifts or firm pledges received after a particular starting date and prior to a specified deadline. The Foundation matches on a dollar-for-dollar basis, or upon a different ratio if this seems preferable. The sources of outside gifts which are matching-eligible for Bush funds usually include trustees, alumni, faculty, parents, students, and individuals with a significant prior history of giving to the college. In this way, the matching impact of the Bush grant is confined to a college's closest constituencies, and does not include corporations, foundations or government.

A second possible pattern permits payment of the Bush grant upon completion of the other parts of the announced fund drive, and prior to an agreed-upon deadline. This may be preferable if the institution wishes to accelerate the final stages of its fund drive, or if it feels that the matching eligibility requirements of the first method are too restrictive.

Most of this region's private college presidents since the early 1970's have recognized the need to raise new funds for endowment, for building renovation, and in some instances, for special buildings for athletics, art and music, or library purposes. While no time ever seems right for such fund raising efforts, the middle and late 1980's — in the middle of an enrollment recession — appeared to be just the wrong time. Instead, these private colleges have scheduled a surge of capital fund drives for endowment and building work to take place before then. The Bush matching capital grants are timed to coincide with this surge of activity, hoping to extend the effectiveness of the staff and volunteer work which has already been planned.

## **FACULTY DEVELOPMENT**

If the current projections of the coming recession in postsecondary enrollment are correct, undergraduate college and university programs face at least a 25 percent decline by 1990. This will be the first prolonged college enrollment recession in American history. It will occur unless major and unpredicted changes take place in the desire of older adults for undergraduate study, or in the ability of colleges to retain until graduation a larger proportion of their initially enrolled students.

Such a recession seems likely to create a new environment which may affect adversely the quality of teaching and the attitude and performance of students. Less enrollment will mean less hiring of new young teachers and less chance of promotion for today's instructors and assistant professors. Faculties will grow older, will encounter fewer newly-trained colleagues, and will have less opportunity to change jobs, to do consulting projects, and to undertake subsidized research.

In April 1979, The Bush Foundation Board of Directors approved a regional program of faculty development grants designed to improve student learning through increased attention to faculty development and improvement of teaching. The program encourages undergraduate colleges and universities to consider the new adverse conditions described above, early in the enrollment downturn, and to see if they can find ways to offset its worst effects.

The Bush faculty development program offers two kinds of grants to eligible institutions in Minnesota, North and South Dakota: one-year planning grants of up to \$10,000 each and larger renewable program grants of up to three years each. The usual maximum size of program grants will vary



with the size of undergraduate enrollment — from \$25,000 per year for the smallest colleges to \$300,000 for the largest.

Eligible colleges in the first year of the program are four-year private colleges which are accredited by the North Central Association of Colleges and Schools, and five public universities: University of Minnesota, University of North Dakota, North Dakota State University, South Dakota State University and the University of South Dakota. These eligibility guidelines will be reconsidered in 1980.

In this program, participating colleges are asked to analyze their own most significant needs for faculty development and improvement of student learning, and to design their own strategy for meeting those needs and for evaluating success. Examples of successful, economical strategies which have been used in this region and elsewhere include the following ones:

- establishment of centers to improve teaching through counseling, case discussions, and use of videotape to analyze and improve teaching behavior in class.
- establishment of regular programs of inter-class visitation, evaluation, and discussion of teaching methods and effectiveness.
- summer workshops for faculty teams to improve teaching methods or content.
- curriculum change and work rearrangement to provide individual teachers with fresh work assignments.
- special supplements for faculty leaves to permit specified and teaching-related purposes to be fulfilled.

The faculty development program guidelines, published in August 1979, note that in considering grant applications, careful Foundation attention will be given to quality and thoroughness of planning, and to the degree of faculty involvement in that planning.

A five person advisory committee helped design the program guidelines and will evaluate program grant applications prior to final consideration by the Bush Board. The members of the Committee are: Dr. Jerry G. Gaff, Society for Values in Higher Education, Washington, D.C.; Dr. Dean K. Whitla, Harvard University, Cambridge, Massachusetts; Dr. O. Meredith Wilson, Eugene, Oregon; and Dr. James P. Shannon, and Waverly G. Smith, Bush Directors. Four other consultants also helped conduct site visits and preliminary evaluation of program proposals. These are Professor Kenneth E. Eble, Professor of English, University of Utah, Salt Lake City, Utah; Professor Patricia Albjerg Graham, Charles Warren Professor of History of Education, Harvard University, Cambridge, Massachusetts; David G. Halliburton, Chairman, Committee for Faculty Seminars and founder of the Center for Teaching and Learning, Stanford University, Stanford, California; and B. Claude Mathis, Professor of Education and Psychology and Director of the

Center for the Teaching Professions, Northwestern University, Evanston, Illinois.

The deadline for program grant proposals for 1981–82 is October 1, 1980. Awards will be announced in late February 1981. Proposals for planning grants can be considered at any of the Foundation's quarterly Board meetings. Copies of the program guidelines are available on request at the Foundation office. Inquiries about the program should be directed to Humphrey Doermann, President.

## ARTS AND HUMANITIES

The Bush Foundation began its support of arts activities in Minnesota in 1969. In ten years, the Foundation has appropriated almost \$13.5 million to arts and humanities organizations. Most of these funds were paid to major professional institutions in Minneapolis and Saint Paul, to support operating expenses, special projects, and building renovation or construction.

By 1974, the Foundation had become the largest single local source of support apart from earned income for a few of the major arts organizations in the Twin Cities. To assess the scale of the arts economy of which the Foundation was a part, the Foundation conducted two financial studies of local arts organizations. The first, completed in early 1972, was a general survey of arts activities in Minnesota. This review showed that attendance and ticket income had grown steadily by about two percent per year from 1966 to 1970 for the organizations studied, but their expenses had increased by about ten percent per year. Contributed income from local foundations, individuals, and businesses had tripled, but that surge of local support did not prevent a sharp increase in net deficits during the period.

The second study, completed in December, 1973, sought five-year projections from eleven professional performing arts organizations and museums in the Twin Cities. These institutions provided historical data and projections of financial and operating plans from 1972 through 1977. The projections were based on the best available assumptions about the future, but no one viewed them as either predictions or firm operating plans. The projections in this survey were optimistic. The performing arts organizations estimated an aggregate average rate of growth in earned income of about six percent per year and a fourteen percent growth in unearned income to be received from local foundation and government sources. Operating expenses were projected to grow about eight percent per year.

In 1978, the Foundation compared the actual 1972–1977 history with the original projections of the eleven arts organizations. To no one's great surprise, the programming and financial lives of the participants proved very different from the projections. The projections proved to have been much gloomier than actual experience. Aggregate operating costs, earned and unearned income were all substantially higher than projected; the aggre-

gate rate of budget growth actually averaged about sixteen percent per year. The increase in operating costs and earned income proved to have been underestimated because programs expanded more rapidly than projected, and because the rate of inflation was approximately double what had been anticipated. Donors, particularly foundations and government sources, also contributed more money than the arts organizations had anticipated.

The 1970's have been a period of dramatic growth in size and activity of major arts organizations in this region. The financial future of these institutions, however, remains uncertain. Attendance growth appears to have leveled off and costs in an inflationary economy continue to rise sharply. Whether these organizations can simultaneously slow down their real and inflation-induced rates of budget growth, continue to attract large audiences and increasing contributions, and grow artistically remains a difficult combination of questions.

The Foundation has begun a process of review of its grantmaking activities in the arts and humanities to try to estimate its impact on this changing field. The needs of arts and humanities organizations in this region and patterns of funding for their activities are being studied. The Foundation continues to explore ways to help major Minnesota arts institutions to increase and broaden their sources of income. The Foundation also is investigating possible ways to balance its operating support to major organizations with support for other groups and individuals.

## HEALTH

In February 1978, the Board approved the following statement to describe the Foundation's grantmaking interests in health:

The Bush Foundation wishes to consider proposals for programs and projects that will improve the quality, accessibility, and efficiency of health care services within the Foundation's grantmaking region. In order to achieve good results with limited amounts of money, the Foundation will concentrate its grants on innovative programs to train health professionals for unfilled and new kinds of needed health care positions within the region and to develop new methods or significant improvements in existing methods of delivering health care services in rural and underserved areas within the region. Improving racial minorities' access to careers in medicine and other health professions is also of major interest to the Foundation.

Ordinarily the Foundation will not approve grants to hospitals for construction and equipment purchases, to established programs for operating support for health services, and to traditional continuing education programs for health professionals. In 1974 The Bush Foundation Board voted to cease granting funds for project research in the biomedical and health sciences.

This statement appears to define the direction of the Foundation's health grantmaking in the near future.

Since approving this statement of interests in Health, the Foundation has approved grants to the University of Minnesota and to InterStudy for programs in health services research and policy studies. These programs seek to develop information useful to public officials and others concerned with the efficiency and quality of health care services in The Bush Foundation's geographic region. The Board also approved a major grant for fellowships for minority medical students at the University of Minnesota and approved two grants to Meharry Medical College which trains minority physicians.

In 1979, the Foundation selected its first group of Bush Clinical Fellows. Physicians selected for this program will pursue programs of study designed to help them meet specific health care needs in the rural Minnesota communities in which they practice. The Fellowship section of this Report lists the Fellows and describes their individual programs.

## HUMAN SERVICES

The Bush Foundation reviewed sixty-one proposals for human service programs during 1979 and approved grants to twenty-three organizations, totaling \$3,472,111. This amount represents twenty-eight percent of the amount which the Foundation approved for all grants in 1979, up from six percent in 1978. Non-recurring capital grants to United Way campaigns in Minneapolis and Saint Paul accounted for much of the sharp increase in Bush dollars granted for human services as compared with previous years.

In the past, The Bush Foundation has tended to approach proposals dealing with human service programs on a case by case basis. This approach will continue at least for the coming year. It may be easier to understand The Bush Foundation's work in human services by examining how we approach individual proposals than by examining the pattern of our grants in the field as a whole or in any of its major segments.

Decisions on individual proposals usually have been based on staff and Board appraisal of the answers to four basic kinds of questions:

1. How important is the purpose for which the grant is sought?
2. Is the purpose one for which foundation expenditure makes sense? Does the problem to be worked on match in scale what The Bush Foundation might reasonably be able to spend on it? Are others who might reasonably help pay for the activity doing their fair share?
3. How well is the applicant likely to be able to carry out the proposed plan? Is the planning work as good as can reasonably be expected? Is most of the unnecessary risk eliminated from the work plan?
4. If the proposed activity is to continue beyond the period of the proposed grant, what are the plans for replacement support and how realistic are they?

Despite this case by case approach, several minor patterns of grants for rehabilitation and youth programs have emerged and have been described in earlier annual reports. Another pattern of grants has emerged this year. Since 1974, the Foundation has made six grants totaling \$218,575 to help start up battered women's shelters in Minnesota. While this grantmaking activity may prove to be helpful, the Foundation staff is exploring the problem of family violence further. We hope that the knowledge of which strategies work best will become more apparent to us as a result. During this process, the Foundation will continue to appraise each grant request on its merits.

## **BUSH LEADERSHIP FELLOWS PROGRAM**

The Bush Leadership Fellows Program was started in 1965 at the wish of Archibald Granville Bush. He envisioned a program which would locate highly motivated individuals with strong leadership qualities in a variety of fields. His aim was to help them develop and broaden their potential for leadership without the kind of financial hardship he encountered early in his own business career. Recipients of these awards receive financial support for full-time mid-career study — sometimes including a specially designed internship — anywhere within the United States. The awards range in length from four to eighteen months. Major criteria for selection have included clear career goals and demonstrated competence in past work, as well as intellectual ability, integrity, and a record of community involvement.

In 1973, The Bush Foundation added a new program of Bush Summer Fellowships to the regular Bush Leadership Fellows Program. The Summer Program offers study opportunities ranging from three to ten weeks in length, and usually does not include the internship element. In 1974, the Foundation voted to expand the Program beyond Minnesota, to include persons from North Dakota, South Dakota, and the twenty-six counties in northern and western Wisconsin that lie within the Ninth Federal Reserve Banking District.\*

Twenty-three individuals received 1979 Bush Leadership Fellowships and twenty-five received Bush Summer Fellowships. The Fellows represent the fields of business, education, government, health care, journalism, law, law enforcement, social work, and theology — continuing a diversity of career background which has characterized the program since its inception. A clear majority of the selected Fellows emphasized some aspect of administration and management during their study and internship.

The Board authorized expenditure of \$638,400 for stipends, tuition, and project expenses connected with the 1979 Fellowships.

\*These counties in Wisconsin are: Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Douglas, Dunn, Eau Claire, Florence, Forest, Iron, LaCrosse, Lincoln, Oneida, Pepin, Pierce, Polk, Price, Rusk, St. Croix, Sawyer, Taylor, Trempealeau, Vilas and Washburn.

The program is unusual in design and appears to be producing worthwhile results. These observations come most recently from an evaluation completed in May 1979. The evaluation process employed five questionnaires addressed to 375 persons who have participated in various ways in the Fellowship Program since 1965. Roughly ninety percent of the Bush Fellows who completed questionnaires felt that the program had been "very instrumental" in quickening their career progress.

Inquiries concerning the Program may be directed to Bush Leadership Fellows Program (Donald Peddie, Program Director), P.O. Box 15125, Minneapolis, Minnesota 55415.

## 1979 BUSH LEADERSHIP FELLOWS

Name and Residence	Employment at the Time of Selection for Fellowship (1979-80 Study Site in Parentheses)
Wendy L. Andberg Saint Paul, MN	Special Assistant, College of Veterinary Medicine, University of Minnesota, Saint Paul (University of Minnesota)
Terri D. Barreiro Minneapolis, MN	Executive Director, Enablers, Inc., Minneapolis (University of Minnesota)
Judith A. Bowers St. Louis Park, MN	Education Coordinator, Geriatric Research, Education and Clinical Center, Veterans Administration Medical Center, Minneapolis (University of Minnesota)
Margaret S. Brchan Brookings, SD	Nursing Supervisor, Brookings (University of North Carolina)
Claudia H. Daly Duluth, MN	Reporter-Producer, Minnesota Public Radio, Duluth (National Public Theatre, Chicago, IL)
W. Jeremy Davis Grand Forks, ND	Associate Professor of Law, University of North Dakota, Grand Forks (Yale University)
Stephen K. Erickson Minneapolis, MN	Partner, Henschel and Erickson, Attorneys, Minneapolis (University of Minnesota)
Paulette M. Fairbanks Minneapolis, MN	Project Administrator, Hans Christian Andersen Complex, Minneapolis Public Schools (Selection of specific study site has been deferred)
Gregory R. Fox Duluth, MN	Assistant Vice-Provost for Academic Administration and Director for Continuing Education, University of Minnesota, Duluth Center (University of Washington)
Kathryn C. Gagnon Saint Paul, MN	Director, Street Academy, Saint Paul Public Schools (University of Minnesota)
Katrina R. Green Minneapolis, MN	Assistant to the Superintendent for Urban Affairs, Saint Paul Public Schools (University of Minnesota)
Robert I. Harris Fridley, MN	Coordinator, Child and Family Studies, Saint Paul-Ramsey Medical Education and Research Foundation, Saint Paul (University of Minnesota)
Robert K. Marquart St. Louis Park, MN	Instructor and Coordinator, Extended Degree Program, School of Public Health, University of Minnesota, Minneapolis (University of Texas)

<b>Name and Residence</b>	<b>Employment at the Time of Selection for Fellowship (1979–80 Study Site in Parentheses)</b>
Vi A. M. Mullin Saint Paul, MN	Manager, Marketing Development, Academic Education, Control Data Corporation Education Company, Minneapolis (Massachusetts Institute of Technology in 1980)
Susan H. Neidlinger Grand Forks, ND	Assistant Professor, College of Nursing, University of North Dakota, Grand Forks (University of Colorado)
Nancy J. Paulu Minneapolis, MN	Education Reporter, Minneapolis Star and Tribune Company (Harvard University)
John S. Poupart Minneapolis, MN	Corrections Specialist, Minnesota Department of Corrections, Minneapolis (Harvard University)
James C. Price Duluth, MN	Director, Career Development and Placement, University of Minnesota, Duluth (University of Minnesota)
Dolores M. Robertson Fergus Falls, MN	Instructor/Coordinator, Outstate Pediatric Nurse Practitioner Associate, University of Minnesota School of Public Health, Fergus Falls (University of Minnesota)
Virginia C. Scheid Edina, MN	Senior Vice-President, Greentree Acceptance, Inc., Minneapolis (College of Saint Thomas)
Paul H. Stuetze Pierre, SD	Assistant Administrator, Office of Aging, State of South Dakota, Pierre (University of Arizona)
Kathryn L. Vigen Sioux Falls, SD	Project Director, RN Upward Mobility, College of Nursing, South Dakota State University, Brookings (Rush University)
Charles E. Yost Menomonie, WI	Assistant Professor/Director, Manufacturing Laboratory, University of Wisconsin-Stout, Menomonie (University of Minnesota)

### **1979 Bush Summer Fellows**

Vernon E. Almlie Valley City, ND	Director of Student Teaching, Valley City State College (Columbia University)
Theresa Bailey-Morrow Golden Valley, MN	Director, Office, Systems and Regulatory Services, Minnesota Department of Natural Resources, Saint Paul (Selection of specific study program has been deferred)
James T. Borgestad Saint Paul, MN	Assistant to the President, University of Minnesota, Minneapolis (Carnegie-Mellon University)
Beverly W. Brekke Grand Forks, ND	Associate Professor, Center for Teaching and Learning, University of North Dakota, Grand Forks (University of Michigan)
Janet G. Brodahl Edina, MN	Health Systems Division Manager, Minnesota Department of Health, Minneapolis (Harvard University)
Maria E. Calderon Cottage Grove, MN	Project Coordinator, Saint Paul State Bilingual Bicultural Program, Humboldt Senior High School, Saint Paul (University of San Francisco)
Neil E. Christenson Anoka, MN	President, Anoka-Ramsey Community College, Anoka (Harvard University)
Kenneth E. Christianson Jamestown, ND	Training Coordinator, North Dakota State Hospital, Jamestown (Philadelphia Child Guidance Clinic)

Name and Residence	Employment at the Time of Selection for Fellowship (1979–80 Study Site in Parentheses)
Martha D. Cushing Minneapolis, MN	Assistant Executive Director, Family and Children's Service, Minneapolis (Simmons College)
Debra J. DeWitz Rugby, ND	Program Coordinator, Family Therapy Institute, Heart of America Human Services Center, Rugby (Philadelphia Child Guidance Clinic)
Sr. Helen A. Elsbernd La Crosse, WI	Academic Dean, Viterbo College, La Crosse (Harvard University)
Suzanne M. Erickson Frazee, MN	Parent Liaison, Becker-Clay Special Education Cooperative, Audubon, MN (Selection of specific study site has been deferred)
James A. Fries Aberdeen, SD	Director of Development/Assistant to the President, North- ern State College, Aberdeen (Selection of specific study site has been deferred)
Mary J. Gander La Crosse, WI	Assistant Professor, Psychology Department, University of Wisconsin-La Crosse (Simmons College)
R. Pinckney Hall Menomonie, WI	Counseling Psychologist, University Counseling Center, University of Wisconsin-Stout, Menomonie (University of Maryland)
Kenneth L. Janzen Saint Paul, MN	Dean of the College of Liberal Arts, Hamline University, Saint Paul (Harvard University)
Judith M. Justad Minneapolis, MN	Executive Director, The Center for Humanism, Awareness and Resource Training (CHART), Minneapolis (Simmons College)
Patricia A. McCullough Minneapolis, MN	Principal, Health Planning and Management Resources, Inc., Minneapolis (Massachusetts Institute of Technology and University of California-Davis)
John G. Mihelic Minneapolis, MN	Independent Writer-Producer, Minneapolis (KTCA-TV Study Program)
Jonathan R. Motl Minneapolis, MN	Executive Director, Minnesota Public Interest Research Group (MPIRG), Minneapolis (University of Montana)
Peter Nash Mankato, MN	Associate Professor, Department of Biology, Mankato State University (Carnegie-Mellon University)
Ellen A. O'Neal Minneapolis, MN	Clinical Nursing Coordinator, Hennepin County Medical Center, Minneapolis (Cornell University)
Mary Y. Sudduth Minneapolis, MN	Principal Probation Officer/Family Counselor, Hennepin County Court Services, Domestic Relations Division, Minneapolis (Philadelphia Child Guidance Clinic)
Sharon R. Vaughan Saint Paul, MN	Co-Coordinator, Harriet Tubman Women's Shelter, Inc., Minneapolis (University of Minnesota and New School for Democratic Management, San Francisco, CA)
Pamela J. Zagaria Saint Paul, MN	Assistant Executive Director, Community Planning Organi- zation, Inc., Saint Paul (Simmons College)



## BUSH PUBLIC SCHOOL EXECUTIVE FELLOWS PROGRAM

The fourth annual group of twenty-five Bush Public School Executive Fellows was selected in May, 1979 to enter this training program.

The program provides an intensive six-week course for experienced public school superintendents and assistant superintendents in Minnesota and is designed to improve their leadership and financial management capacity. The six weeks of their participation is spread over eighteen months, and includes the following segments: a twelve-day opening session emphasizing case study and discussion; three five-day sessions analyzing specific study projects; and a four-day final session. Participants also spend approximately two weeks of independent work on projects within their own school districts.

The curriculum emphasizes management skills, labor relations, and long range planning for school districts. Professor John J. Mauriel of the University of Minnesota Graduate School of Business Administration is the Academic Director of the Program. The fiscal agent is the Minnesota Association of School Administrators.

Inquiries concerning the program are welcomed by the Minnesota Association of School Administrators, 480 Cedar Street, Saint Paul, Minnesota 55101.

Following is a list of the individuals selected in 1979 to receive Bush Public School Executive Fellows awards:

### BUSH PUBLIC SCHOOLS EXECUTIVE FELLOWS 1979-1980

Name	Title	School District
Bartel, Henry J.	Superintendent	Windom, MN
Boynton, Willis A.	Assistant Superintendent	Robbinsdale, MN
Conner, Verle C.	Superintendent	Atwater, MN
Emery, Thomas W.	Special Education Regional Consultant	Southwest Consortium
Fletcher, Alan L.	Director	916 Vo-Tech Institute
Ford, Donna J.	Director Educational Planning Services	Southwest Consortium
Furuseth, Jerome P.	Superintendent	Waubun, Ogema, White Earth, MN
Green, Richard R.	West Area Superintendent	Minneapolis, MN
Gross, Robert L.	Assistant Superintendent	Brainerd, MN
Groth, Donald F.	Superintendent	Doyer-Eyota, MN
Huber, Jerald J.	Superintendent	Sherburn, MN
Johnson, Merton H.	Executive Director	Metro II Consortium
Kuball, Richard T.	Superintendent	Mapleton, MN
Larson, Robert L.	Special Education Regional Consultant	Hibbing, MN
Lindbloom, Dwight H.	Assistant Superintendent	Northfield, MN
Martisko, Lester L.	Executive Director	South Central Consortium
Miller, M. Darrell	Superintendent	Buffalo, MN
Miller, Miles H.	Superintendent	Caledonia, MN

Name	Title	School District
Mueller, Everett W.	Assistant Superintendent	Winona, MN
Neuman, James R.	Superintendent	Zumbrota, MN
Norland, Ralph B.	Superintendent	Montevideo, MN
Pearson, Richard B.	Superintendent	Duluth, MN
Ruud, Orville G.	Director of Data Processing, Curriculum & Evaluation	Bloomington, MN
Tenhoff, Marvin F.	Superintendent	Dodge Center, MN
Utzinger, Roland J.	Assistant Superintendent	Mankato, MN

## BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS

The Bush Foundation Fellowships for Artists enables selected individuals to set aside concentrated time for their work, and to increase the quality and pace of individual career development. Short-term Bush Foundation support can be used to complete an artistic project, to meet an artistic goal, or to advance generally a professional artistic career.

The fourth group of Bush Artist Fellows was selected from 135 original applicants in March, 1979. The artists selected were:

Leif Brush, sculpture, Duluth  
 Donald Celender, conceptual art, Saint Paul  
 Frank Gohlke, photography, Minneapolis  
 Patricia Hampl, poetry, Saint Paul  
 Louis Jenkins, poetry, Duluth  
 Lawrence Millman, fiction, Minneapolis  
 Thomas Rose, sculpture, Minneapolis  
 Steven Sorman, painting, Minneapolis  
 Barbara Whipple, fiction, Plainview

Fellows are chosen from two professional groups: creative writers (poets and writers of fiction) and visual artists (painters, sculptors, graphic artists, still photographers, and film and video artists). Candidates must be at least twenty-five years old and must have lived in Minnesota at least one continuous year immediately prior to filing an application. Major criteria for final selection are demonstrated artistic performance and the estimated importance of the applicant's Fellowship plan to his or her growth as a creative artist.

Stipends for the 1979 Fellows were \$1,000 per month for up to twelve months, or a total possible stipend award of \$12,000 for a twelve to eighteen month Fellowship period. The program also provided limited additional funds for travel and project costs which were met by Fellowship holders in connection with their work. The total amount of stipends and project costs authorized for the 1979 Fellowships was \$112,000.

The Foundation appropriated \$140,000 for Artist Fellowships to be awarded in 1980, increasing the number of Fellowship awards to ten. Stipend amounts, application and selection criteria will remain unchanged from the previous year.

Inquiries about the program should be directed to The Bush Foundation Fellowships for Artists, E-900 First National Bank Building, Saint Paul, Minnesota, 55101.

## BUSH CLINICAL FELLOWS PROGRAM

In October 1978, the Foundation began the Bush Clinical Fellows Program. This program provides selected rural Minnesota physicians in mid-career with an opportunity to pursue individually-designed programs of study which are firmly rooted in the health needs of their individual communities. The program seeks to improve the quality of health care in individual communities; to develop individual rural physicians' potential for leadership and inventiveness in clinical medicine, health care delivery, administration and education; and to improve the linkages between rural communities and health training institutions.

Approved programs are for three to twelve months. They usually include clinical study at a major teaching center and also study to improve administrative, planning and leadership skills. Award winners receive monthly stipends of \$2,500. They also receive tuition and travel allowances totaling up to \$3,000 over the full term of their fellowship programs. Stipends are the Fellows' living expenses for the period of study during which their income from medical practice will be reduced or nonexistent. Applicants must be physicians currently practicing general or family medicine or other primary care specialties in non-metropolitan areas of Minnesota. They must be at least 35 years of age with ten or more years of clinical practice experience, and be able to state clearly their needs and the opportunities available in their communities for the application of new skills they seek. Upon request, the Executive Secretary of the Program will help Fellows design appropriate educational programs and find another physician to provide medical care during their absence.

Inquiries about the Bush Clinical Fellows Program should be directed to Douglas A. Fenderson, Executive Secretary, Bush Clinical Fellows Program, 420 Delaware Street, S.E., Box 715, Minneapolis, Minnesota 55455.

## 1979 BUSH CLINICAL FELLOWS

<b>Name and Residence</b>	<b>Fellowship Purpose</b>	<b>Location of Program Pursuit</b>
Jo E. Anderson, M.D. General Practice Le Sueur, MN	To study hospice and coronary care programs.	Bethesda Medical Center and other Twin Cities hospitals.
Frank E. Boyd, M.D. General Practice Pipestone, MN	To further develop medical, surgical, and counseling skills.	Regional Perinatal Center, Sioux Falls, SD; University of South Dakota; University of Minnesota.

Name and Residence	Fellowship Purpose	Location of Program Pursuit
Norman L. Hagberg, M.D. Family Practice Montevideo, MN	To study cardiology, pulmonary medicine, patient education, sports medicine, and diabetes.	University of Minnesota; Twin Cities hospitals; Diabetes Detection and Education Center.
George E. Jackish, M.D. Internal Medicine Red Wing, MN	To study adult cardiology, including risk factors and cardiac rehabilitation; to improve educational skills and knowledge for leadership position in continuing medical education.	Mayo Clinic; Director of Medical Education workshop series sponsored by Minnesota Medical Association.
John W. Knott, M.D. Family Practice Forest Lake, MN	To develop critical care skills in pulmonary physiology and anesthesia service; to study computer applications in medical practice.	University of Minnesota and Twin Cities hospitals.
Norma B. Schnabel, M.D. Pediatrics Crookston, MN	To improve skills in adult allergy and immunology.	University of Minnesota; Veterans Administration Hospital; Saint Paul-Ramsey Medical Center.
John D. Wempner, M.D. Family Practice Waconia, MN	To develop skills to provide leadership in developing emergency medical care programs and to improve clinical skills in family practice.	North Memorial Hospital Emergency Room; Hennepin County Medical Center Emergency Room; Family Practice Department, Saint Paul-Ramsey Medical Center.

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GRANTMAKING POLICIES AND PROCEDURES



# GRANTMAKING POLICIES AND PROCEDURES

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## MAJOR CURRENT INTERESTS

1. The Bush Foundation is predominantly a regional grantmaking foundation, with broad interests in education, human services, health, arts and humanities, and in the development of leadership.
2. The Foundation is interested in education at all levels, with major emphasis in higher education. A majority of its recent grants in education have been awarded to public and private colleges and universities. Underlying the Foundation's support for private colleges is the view that long-run financial health is a crucial current and future need. Accordingly, the Foundation has encouraged efforts to recruit students from groups previously underserved by private colleges, to stimulate improved management, and to help colleges try to develop new sources of unrestricted income. A program of matching capital grants for private colleges in Minnesota and the Dakotas is described in the "Program Notes" section of this report. A new regional program of grants for faculty development is also described there. Grants to elementary and secondary schools are either for public school districts seeking to experiment with new learning programs and new approaches to teaching and administration or to improve the teaching of economics. Areas of expanded interest for the Foundation are training programs for child development personnel and programs in parent education.
3. The Foundation seeks to support projects which may help demonstrate and evaluate ways to lessen, prevent or resolve contemporary social problems. Those projects which involve the elements of relatively early intervention and reasonable cost are of particular interest.
4. The Foundation seeks to encourage the delivery of good health care, at reasonable cost to recipients and to society. The Foundation wishes to consider proposals for programs that will improve the quality, accessibility, and efficiency of health care services within the Foundation's geographic region. Recently, grants have been approved for programs that seek to develop more information about



the provision of health services within the region, to improve the clinical and leadership skills of rural physicians, and to provide scholarships for minority medical students at the University of Minnesota.

5. Within its geographic region of major interest, the Foundation accepts special 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 of 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. The Foundation recently has concentrated its major interest on projects originating in, or of special value to Minnesota, North Dakota, and South Dakota, with Chicago an area of secondary interest and others less so. The Bush Leadership Fellows Program includes coverage of Minnesota, North and South Dakota, and the counties of Western Wisconsin which are part of the Ninth Federal Reserve District. 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 does not make direct grants to individuals except through established, defined programs such as the Bush Leadership Fellows Program, the Fellowships for Artists Program, and the Bush Clinical 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 are less likely to be approved than others:
  - a. Proposals for building construction in medicine.
  - b. Proposals requesting endowment funds.\* (Note exception.)
  - c. Proposals requesting support to cover 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. In September 1974, the Board of Directors voted to cease granting funds for project research in the biomedical and health sciences.

\*See the "Program Notes" section for a discussion of capital challenge grants in private colleges in Minnesota and the Dakotas. This specific program represents an exception to the Foundation's usual discouragement of endowment proposals.

While acknowledging the general importance of biomedical research, the Board reasoned that excellent foundation grantmaking performance in this area probably requires a larger continuing investment of funds, a surer sense as to which specific research areas would be significantly improved if more money were made available, and greater specialization of the Foundation's staff than seems possible or desirable for The Bush Foundation to attempt at this time.

## **GRANTMAKING PROCEDURES**

### *Responsibility of 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 six-member 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 President of the Foundation three 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, the process of consideration usually takes longer.

The Board has approved additional preliminary screening procedures for University of Minnesota proposals, Faculty Development proposals and for requests seeking construction funds for major hospitals and medical centers. The Foundation staff will explain these steps to anyone wishing further information about them.

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.

#### *Exploration of Other Sources of Support*

Grant applicants ordinarily should explore all other possible sources of support in addition to 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 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 solicited 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 also should be endorsed by the administrative head of the organization. If possible, the endorsement also should 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.

## 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, the Founda-

tion notifies newspapers in Minnesota and the Dakotas, 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 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 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 Recent Grants*

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

**Summary of Grants Approved in Fiscal Year 1979  
Classified by Size, Duration,  
Geographic Location of Grants**

Classification of Grants		Number of Grants Approved
Size	\$ 0- 9,999	2
	10,000- 24,999	15
	25,000- 49,999	31
	50,000- 99,999	19
	100,000- 199,999	17
	200,000- 499,999	11
	500,000-1,500,000	<u>5</u>
	Total	100
Duration	1 year	69
	2 years	12
	3 years	16
	4 years	<u>3</u>
		Total
Geographic Location	Minnesota	54
	North Dakota	2
	South Dakota	4
	Illinois	2
	Other	<u>38</u>
	Total	100

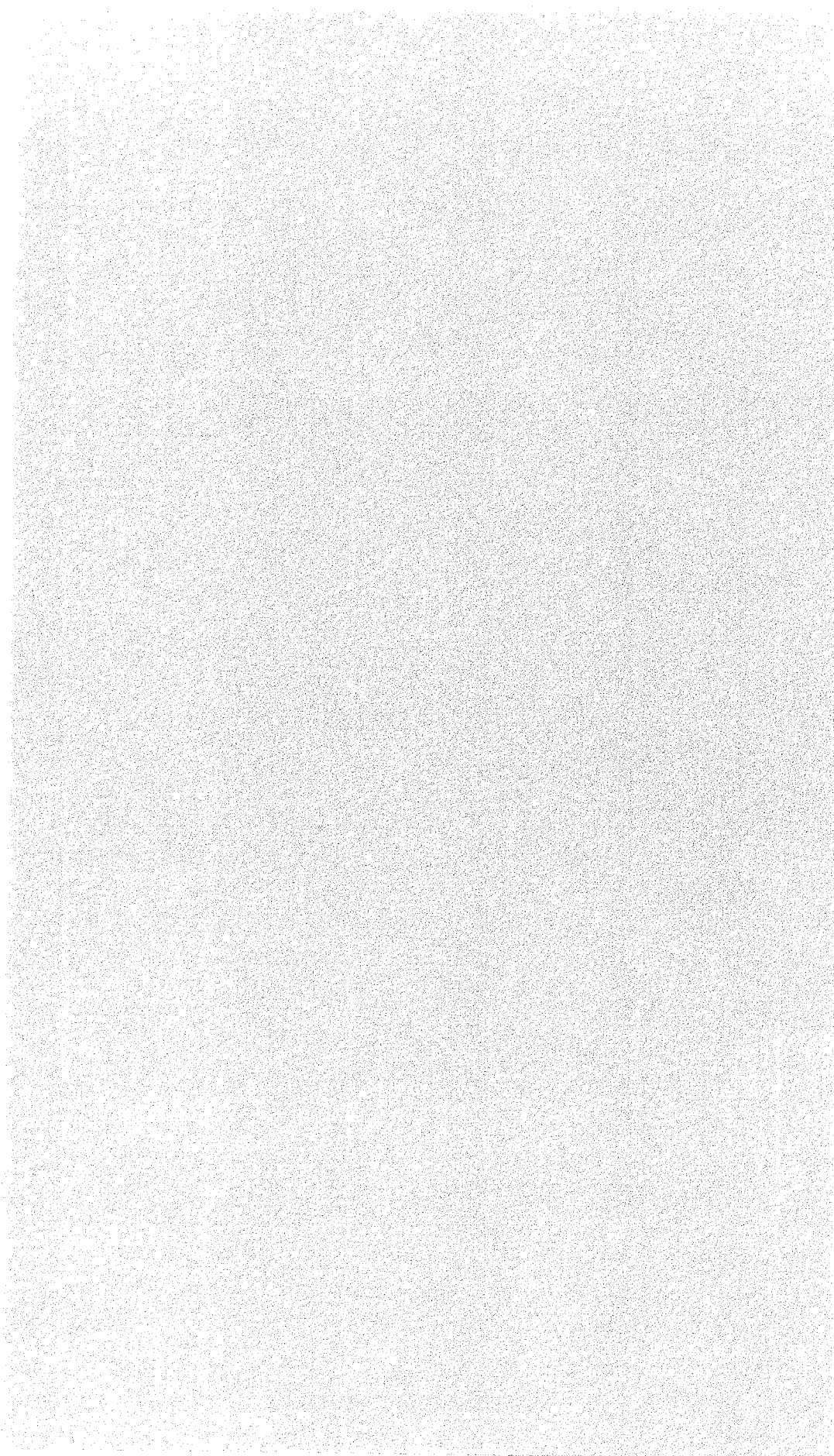
**Summary of Grants Approved in Fiscal Years 1977, 1978, 1979  
Classified by Purpose for Which Funds Were Granted<sup>1</sup>**

Program Area	1977	1978	1979	3-Year Total
A. Arts and Humanities	\$ 1,262,606 (10) 11.5%	\$1,085,230 (11) 10.9%	\$ 1,129,833 (10) 9.2%	\$ 3,477,669 (31) 10.5%
B. Education	6,333,955 (58) 57.8%	5,419,524 <sup>2</sup> (42) 54.6%	5,448,298 (50) 44.1%	17,201,777 (150) 51.8%
C. Health	220,260 ( 3) 2.0%	1,665,840 <sup>2</sup> ( 5) 16.8%	240,300 ( 2) 2.0%	2,126,400 (10) 6.4%
D. Human Services	1,169,792 (23) 10.7%	635,225 (15) 6.4%	3,472,111 (23) 28.1%	5,277,128 (61) 15.9%
E. Miscellaneous	1,380,544 ( 9) 12.6%	185,835 ( 6) 1.9%	1,004,272 (12) 8.1%	2,570,651 (27) 7.7%
F. Fellowship Program Stipends	596,000 ( 2) 5.4%	929,000 ( 3) 9.4%	1,049,000 ( 3) 8.5%	2,574,000 ( 8) 7.7%
<b>TOTALS</b>	<u>\$10,963,157</u> (105) 100%	<u>\$9,920,654</u> (82) 100%	<u>\$12,343,814</u> (100) 100%	<u>\$33,227,625</u> (287) 100%

<sup>1</sup> 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.

<sup>2</sup> Grants for \$1,000,000 for scholarships for minority medical students and \$537,840 for the Health Services Research Center, both to University of Minnesota, are counted in the Health program area.

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THE UNIVERSITY OF CHICAGO PRESS





# STATEMENT OF GRANTS FOR THE PERIOD ENDED NOVEMBER 30, 1979

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Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appro- priated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>Museums</b>					
Ramsey County Historical Society, Saint Paul					
Toward restoration costs of <i>Gibbs Farm Museum</i>	\$ 15,000	\$ 15,000	. . . . .	\$ 15,000	. . . . .
Science Museum of Minnesota, Saint Paul					
<i>To assist capital and endow-     ment campaign: "New     Horizons Fund"</i>	600,000	200,000	. . . . .	200,000	. . . . .
<i>Toward operating ex-     penses for 1979</i>	299,000	. . . . .	\$ 299,000	124,000	\$ 175,000
Walker Art Center, Inc., Minneapolis					
<i>To support the Center's special     exhibition program     1978 grant</i>	100,000	100,000	. . . . .	75,000	25,000
<b>Theater</b>					
Cricket Theatre Corporation, Minneapolis					
<i>Toward operating expenses for     the 1977-78 and 1978-79     seasons</i>	50,000	25,000	. . . . .	25,000	. . . . .
<i>For the 1979-80 season</i>	30,000	. . . . .	30,000	30,000	. . . . .
Guthrie Theater Foundation, Minneapolis					
<i>Toward operating expenses     for the 1979-80 season</i>	100,000	. . . . .	100,000	100,000	. . . . .
The Illusion Theater and School, Inc., Minneapolis					
<i>To support the Theater's educa-     tional project on sexual assault</i>	27,000	. . . . .	27,000	12,000	15,000

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>Music</b>					
Minnesota Opera Company Saint Paul <i>Toward production costs of "La Bohème" in 1979-80 season</i>	100,000	.....	100,000	50,000	50,000
Minnesota Orchestral Association, Minneapolis <i>Toward operating costs of 1977-78 and 1978-79 seasons</i>	270,000	140,000	.....	140,000	.....
Saint Paul Chamber Orchestra Society, Saint Paul <i>To support operating costs of the 1979 season</i>	100,000	.....	100,000	100,000	.....
<b>Other</b>					
Hennepin Center for the Arts, Minneapolis <i>To support renovation of masonic temple as an arts center in downtown Minneapolis</i>	300,000	200,000	.....	100,000	100,000
Lake Agassiz Arts Council, Fargo, North Dakota <i>To support operating costs and to match gifts to coordinated arts fund drive</i>	68,000	49,000	(20,899)	28,101	.....
Minneapolis Society of Fine Arts, Minneapolis <i>To support exhibition program and to purchase equipment</i>	150,000	.....	150,000	50,000	100,000
Minnesota Historical Society, Saint Paul <i>To purchase rare books and works of art for the Society's collection</i>	60,000	20,000	.....	20,000	.....
<i>To support start-up costs of a rare book conservation program</i>	42,063	.....	42,063	21,063	21,000
National Trust for Historic Preservation, Washington, D.C. <i>Additional support for "Main Street" project in Hot Springs, South Dakota</i>	31,770	.....	31,770	.....	31,770
The Plains Distribution Service, Inc., Fargo, North Dakota <i>To support start-up costs of Book Bus Project</i>	34,697	15,000	.....	10,000	5,000
Saint Paul-Ramsey Arts and Science Council, Saint Paul <i>To match increased contribu- tions and to provide outright support to annual fund drive</i>					
<i>1977 grant</i>	275,000	125,000	.....	125,000	.....
<i>1979 grant</i>	250,000	.....	250,000	200,000	50,000

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
Twin Cities Metropolitan Arts Alliance, Minneapolis <i>Toward redemption costs of performing arts Ticket Voucher program</i>	120,000	80,000	.....	30,000	50,000
<b>TOTAL — ARTS</b>		<u>\$ 969,000</u>	<u>\$ 1,108,934</u>	<u>\$ 1,455,164</u>	<u>\$ 622,770</u>
<b>B. EDUCATION</b>					
<b>Public Elementary and Secondary Education</b>					
Independent School District #625, Saint Paul <i>Toward start-up expenses for an alternative "fundamental" elementary school</i>					
	200,000	40,000	.....	40,000	.....
Minnesota Association of School Administrators, Saint Paul <i>Toward operational costs for management training program for public school district superintendents in Minnesota</i>					
	479,250	274,368	.....	115,000	159,368
	277,430	.....	277,430	.....	277,430
<b>Private Higher Education</b>					
Alumni Challenge Grants <i>To increase both unrestricted dollar receipts and the number of donors, through matching incentives in the alumni and alumnae funds of private colleges in Minnesota, the Dakotas, and among members and former members of the United Negro College Fund (UNCF)</i>					
Minnesota Colleges					
College of Saint Thomas, Saint Paul <i>Renewal to challenge special reunion class gifts, 1978-79</i>					
	30,000	.....	28,088	28,088	.....
Macalester College, Saint Paul <i>Renewal to challenge special reunion class gifts</i>					
	20,000	20,000	( 5,864)	14,136	.....
	20,000	.....	20,000	.....	20,000
Saint Mary's College, Winona, Minnesota <i>Third renewal, 1977-78</i>					
	35,000	35,000	(35,000)	.....	.....
Saint Mary's Junior College, Minneapolis <i>Initial grant, 1978-79</i>					
	27,000	27,000	(14,358)	12,642	.....
	20,000	.....	20,000	.....	20,000

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
North and South Dakota Colleges					
Dakota Wesleyan University Mitchell, South Dakota <i>Second renewal, 1978-79</i>	37,000	37,000	.....	37,000	.....
Jamestown College, Jamestown, North Dakota <i>Second renewal, 1978-79</i>	30,000	30,000	.....	30,000	.....
Presentation College, Aberdeen, South Dakota (Challenge not restricted to alumni giving) <i>First renewal, 1978-79</i>	30,000	30,000	.....	30,000	.....
<i>Second renewal, 1979-80</i>	30,000	.....	30,000	.....	30,000
Sioux Falls College, Sioux Falls, South Dakota <i>Second renewal, 1978-79</i>	24,000	24,000	.....	24,000	.....
Yankton College, Yankton, South Dakota <i>Second renewal, 1978-79</i>	30,000	30,000	(12,000)	18,000	.....
UNCF Colleges					
Atlanta University, Atlanta, Georgia <i>Initial grant, 1978-79</i>	80,000	80,000	(42,935)	37,065	.....
<i>First renewal, 1979-80</i>	80,000	.....	80,000	.....	80,000
Barber-Scotia College, Concord, North Carolina <i>Initial grant, 1979-80</i>	22,000	.....	22,000	.....	22,000
Benedict College, Columbia, South Carolina <i>Initial grant, 1979-80</i>	49,975	.....	49,975	.....	49,975
Bennett College, Greensboro, North Carolina <i>First renewal, 1978-79</i>	27,000	27,000	.....	27,000	.....
<i>Second renewal, 1979-80</i>	20,000	.....	20,000	.....	20,000
Clark College, Atlanta, Georgia <i>Initial grant, 1979-80</i>	39,500	.....	39,500	.....	39,500
Dillard University, New Orleans, Louisiana <i>Initial grant, 1978-79</i>	50,500	50,500	(6,305)	44,195	.....
<i>First renewal, 1979-80</i>	35,100	.....	35,100	.....	35,100
Fisk University, Nashville, Tennessee <i>First renewal, 1978-79</i>	58,300	58,300	(42,291)	16,009	.....
<i>Second renewal, 1979-80</i>	71,800	.....	71,800	.....	71,800
Hampton Institute Hampton, Virginia <i>Initial grant, 1979-80</i>	147,000	.....	147,000	.....	147,000
Hampton Institute, Hampton, Virginia <i>To support costs of conference for new UNCF grantees</i>	7,000	.....	7,000	7,000	.....
Johnson C. Smith University, Charlotte, North Carolina <i>Initial grant, 1978-79</i>	49,750	49,750	.....	49,750	.....
<i>First renewal, 1979-80</i>	50,000	.....	50,000	.....	50,000
Lane College, Jackson, Tennessee <i>Initial grant, 1979-80</i>	32,500	.....	32,500	.....	32,500

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
LeMoyné-Owen College, Memphis, Tennessee <i>Initial grant, 1979-80</i>	30,000	.....	30,000	.....	30,000
Livingstone College, Salisbury, North Carolina <i>Initial grant, 1978-79</i>	25,000	25,000	.....	25,000	.....
<i>First renewal, 1979-80</i>	15,000	.....	15,000	.....	15,000
Miles College, Birmingham, Alabama <i>Initial grant, 1978-79</i>	36,000	36,000	.....	36,000	.....
<i>First renewal, 1979-80</i>	30,000	.....	30,000	.....	30,000
Morehouse College, Atlanta, Georgia <i>Initial grant, 1979-80</i>	75,000	.....	75,000	.....	75,000
Morris Brown College, Atlanta, Georgia <i>Initial grant, 1979-80</i>	34,380	.....	34,380	.....	34,380
Oakwood College, Huntsville, Alabama <i>Initial grant, 1979-80</i>	48,000	.....	48,000	.....	48,000
Paine College, Augusta, Georgia <i>Second renewal, 1978-79</i>	15,000	15,000	(7,500)	7,500	.....
<i>Third renewal, 1979-80</i>	15,000	.....	15,000	.....	15,000
Paul Quinn College, Waco, Texas <i>Initial grant, 1979-80</i>	18,800	.....	18,800	.....	18,800
Rust College, Holly Springs, Mississippi <i>Initial grant, 1978-79</i>	27,000	27,000	.....	27,000	.....
<i>First renewal, 1979-80</i>	28,000	.....	28,000	.....	28,000
Saint Augustine's College, Raleigh, North Carolina <i>First renewal, 1978-79</i>	31,000	31,000	(11,992)	19,008	.....
<i>Second renewal, 1979-80</i>	22,000	.....	22,000	.....	22,000
Saint Paul's College, Lawrenceville, Virginia <i>Initial grant, 1979-80</i>	33,000	.....	33,000	.....	33,000
Spelman College, Atlanta, Georgia <i>First renewal, 1978-79</i>	12,250	12,250	(5,750)	6,500	.....
<i>Second renewal, 1979-80</i>	16,400	.....	16,400	.....	16,400
Talladega College, Talladega, Alabama <i>Initial grant, 1978-79</i>	57,000	57,000	.....	57,000	.....
<i>First renewal, 1979-80</i>	45,300	.....	45,300	.....	45,300
Tougaloo College, Tougaloo, Mississippi <i>Second renewal, 1978-79</i>	51,400	51,400	(22,734)	28,666	.....
<i>Third renewal, 1979-80</i>	49,000	.....	49,000	.....	49,000
Tuskegee Institute, Tuskegee, Alabama <i>First renewal, 1978-79</i>	60,000	60,000	.....	60,000	.....
<i>Second renewal, 1979-80</i>	60,000	.....	60,000	.....	60,000
Wilberforce University, Wilberforce, Ohio <i>Initial grant, 1978-79</i>	40,000	40,000	.....	40,000	.....
<i>First renewal, 1979-80</i>	35,000	.....	35,000	.....	35,000

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
Wiley College, Marshall, Texas					
<i>First renewal, 1978-79</i>	40,000	40,000	.....	40,000	.....
<i>Second renewal, 1979-80</i>	20,000	.....	20,000	.....	20,000
Xavier University of Louisiana, New Orleans, Louisiana					
<i>Second renewal, 1978-79</i>	50,000	50,000	(4,842)	45,158	.....
<i>Third renewal, 1979-80</i>	53,950	.....	53,950	.....	53,950
<b>Capital Challenge Grants</b>					
College of Saint Thomas, Saint Paul					
<i>Matching grant to support 8.5 million dollar fund drive for endowment, new physical education building and other building improvements</i>	425,000	.....	425,000	.....	425,000
Concordia College, Moorhead, Minnesota					
<i>Matching grant to support capital fund drive for endowment and construction</i>	500,000	.....	500,000	.....	500,000
Gustavus Adolphus College, Saint Peter, Minnesota					
<i>Matching grant to support unrestricted endowment and to endow library book purchases</i>	600,000	600,000	.....	.....	600,000
Hamline University, Saint Paul					
<i>Matching grant to support undergraduate purposes within 10.5 million dollar capital fund drive</i>	750,000	.....	750,000	.....	750,000
Mary College, Bismarck, North Dakota					
<i>Matching grant to support unrestricted endowment portion of capital fund drive</i>	125,000	125,000	.....	.....	125,000
Saint John's University, Collegeville, Minnesota					
<i>Matching grant to support capital fund drive for building renovations and endowment</i>	333,000	.....	333,000	.....	333,000
Saint Olaf College, Northfield, Minnesota					
<i>Matching grant to endow acquisitions and operating costs in the College's library</i>	800,000	800,000	.....	.....	800,000
William Hood Dunwoody Industrial Institute, Minneapolis					
<i>To support a 6.1 million dollar capital fund drive</i>	300,000	300,000	.....	.....	300,000

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>Bush Opportunity Grants</b>					
<i>To provide scholarships based on financial need but not exceeding \$1,000 each for graduates of Minnesota community and junior colleges who transfer to a four-year Minnesota private college</i>					
1974 grant	670,000	84,771	(83,271)	.....	.....
Augsburg College, Minneapolis	.....	.....	.....	1,000	.....
College of Saint Thomas, Saint Paul	.....	.....	.....	500	.....
<b>Other Grants</b>					
Augustana College, Sioux Falls, South Dakota					
<i>To support start-up costs of a private, vocationally-oriented community college in Sioux Falls</i>					
1977 grant	272,364	25,750	.....	25,750	.....
1979 grant	80,000	.....	80,000	55,000	25,000
College of Saint Thomas, Saint Paul					
<i>To support a new program to train administrators in non-public elementary and secondary schools in Minnesota</i>					
	46,790	17,401	.....	13,319	4,082
Minnesota Independent School Fund, Inc., Saint Paul					
<i>Toward 1979 fundraising campaign</i>	50,000	.....	50,000	25,000	25,000
Minnesota Private College Fund, Minneapolis					
<i>For support of programs selected by the presidents of the fifteen member colleges</i>					
1978 grant	200,000	200,000	.....	200,000	.....
1979 grant	250,000	.....	250,000	100,000	150,000
United Negro College Fund, Inc., New York, New York					
<i>To support the annual fund drives in</i>					
1977, 1978 and 1979	120,000	40,000	.....	40,000	.....
1980, 1981 and 1982	200,000	.....	200,000	.....	200,000
<b>Public Higher Education</b>					
Metropolitan Community College, Minneapolis					
<i>To support a new two-year degree program for adults who work full time</i>	194,055	.....	194,055	75,055	119,000



Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
Minnesota Arboretum Foundation, Chaska, Minnesota <i>To finance the acquisition of adjacent land for the Minnesota landscape arboretum</i>	213,000	213,000	.....	.....	213,000
University of Minnesota, Minneapolis Graduate School Fellowships <i>Fellowships for graduate students in M.A. and Ph.D. programs under the administration of the Graduate School</i>					
1974 grant	2,000,000	125,000	.....	125,000	.....
1976 grant	375,000	290,000	.....	100,000	190,000
Graduate School Evaluation <i>Continued support for external evaluations of the University's Graduate School departments in conjunction with internal evaluations which the University is conducting</i>	75,000	.....	75,000	.....	75,000
College of Business Administration <i>Support for expansion and improvement of the Master of Business Administration program</i>	400,000	.....	400,000	150,000	250,000
University of North Dakota, Grand Forks, North Dakota <i>To help start a statewide network of teacher centers to provide in-service training to elementary and secondary teachers</i>	403,596	258,936	.....	120,000	138,936
<b>Child Development</b>					
Education Development Center, Inc., Newton, Massachusetts <i>Continuation of parenting program in Minnesota high schools and introduction of program into the Dakotas</i>	157,812	.....	157,812	51,480	106,332
Erikson Institute for Early Education, Chicago, Illinois <i>To support the Institute's program of graduate level training for teachers of pre-school children</i>					
1977 grant	210,000	70,000	.....	70,000	.....
Family Focus, Inc., Evanston, Illinois <i>To support early operation of two drop-in centers for parents and their very young children</i>	100,000	15,000	.....	15,000	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
Independent School District #742, Saint Cloud, Minnesota <i>To support development of a district-wide parent education program for parents of children aged 0-4</i>	100,000	20,000	.....	20,000	.....
Minnesota Early Learning Design, Minneapolis <i>To continue support for demonstration project in parent education</i>	133,000	.....	133,000	67,000	66,000
The United States of America — Secretary of the Interior, Washington, D.C. <i>Interim support for a program to counsel parents and very young children of the Sisseton-Wahpeton Sioux Tribe in South Dakota</i>	91,050	45,000	.....	45,000	.....
Yale University, New Haven, Connecticut <i>To support the first in a network of Bush Centers in Child Development and Public Policy</i>	674,415	485,000	.....	135,000	350,000
<i>To support specific network activities for the four Bush Centers in Child Development and Public Policy</i>	123,222	.....	123,222	57,229	65,993
The University of California, Los Angeles, California <i>To support the second in a network of Bush Centers in Child Development and Public Policy</i>	675,046	610,000	.....	125,000	485,000
The University of Michigan, Ann Arbor, Michigan <i>To support the third in a network of Bush Centers in Child Development and Public Policy</i>	684,574	619,000	.....	130,000	489,000
<i>To support specific network activities for the four Bush Centers in Child Development and Public Policy</i>	167,074	.....	167,074	54,095	112,979
The University of North Carolina, Chapel Hill, North Carolina <i>To support the fourth in a network of Bush Centers in Child Development and Public Policy</i>	661,381	605,000	.....	125,000	480,000

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>Economic Education</b>					
Junior Achievement, Inc., Stamford, Connecticut <i>Challenge grant to help increase annual operating support for Junior Achievement program in Saint Paul and suburbs</i>	85,000	30,000	(12,033)	17,967	.....
Minnesota State Council on Economic Education, Minneapolis <i>To support costs for improvement of instruction in economics in the archdiocesan schools of Saint Paul and Minneapolis</i>	90,186	28,849	.....	28,849	.....
North Dakota Council on Economic Education, Grand Forks, North Dakota <i>To expand statewide program in economics for elementary and secondary school teachers in North Dakota public schools</i>	63,685	7,670	.....	7,670	.....
<b>Libraries</b>					
Midwest Region Library Network, Evanston, Illinois <i>To support start-up costs for regional library consortium</i>	204,000	90,000	.....	90,000	.....
Newberry Library, Chicago, Illinois <i>Toward development of an atlas of Great Lakes Indian history, 1615-1871</i>	49,000	.....	49,000	49,000	.....
<b>Other Education</b>					
Film in the Cities, Saint Paul <i>Toward operating costs of training and technical assistance program for filmmakers</i>	55,000	30,000	.....	20,000	10,000
The Minneapolis Foundation - (fiscal agent for Citizens' Scholarship Foundation of America, Inc., Concord, New Hampshire), Minneapolis <i>To continue support toward costs for the Minnesota regional office, and to develop additional local CSFA chapters</i>	60,000	60,000	.....	30,000	30,000
<b>TOTAL — EDUCATION</b>		<u>\$ 7,052,945</u>	<u>\$ 5,139,511</u>	<u>\$ 3,090,631</u>	<u>\$ 9,101,825</u>

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>C. HEALTH</b>					
Bush Foundation Clinical Fellows Program <i>Planning grant for a new Foundation-operated program</i>	5,000	967	.....	967	.....
InterStudy, Excelsior, Minnesota <i>Support for health policy research staff</i>	165,300	.....	165,300	51,400	113,900
Meharry Medical College, Nashville, Tennessee <i>Initial alumni challenge grant for annual giving 1978-79</i>	75,000	75,000	(8,414)	66,586	.....
<i>First renewal 1979-80</i>	75,000	.....	75,000	.....	75,000
Psychoanalytic Foundation of Minnesota, Inc., Minneapolis <i>For program development 1974 grant</i>	60,000	20,000	.....	646	19,354
University of Minnesota, Minneapolis Center for Health Services Research <i>To help start a new Center for Health Services Research in the School of Public Health</i>	537,840	422,280	.....	197,370	224,910
<i>To provide scholarships for minority medical students</i>	1,000,000	875,000	.....	275,000	600,000
<b>TOTAL — HEALTH</b>		<u>\$ 1,393,247</u>	<u>\$ 231,886</u>	<u>\$ 591,969</u>	<u>\$ 1,033,164</u>
<b>D. HUMAN SERVICES</b>					
<b>Health and Rehabilitation</b>					
Ability Building Center, Inc. Rochester, Minnesota <i>Toward costs of renovating a building for a sheltered workshop for handicapped people</i>	100,000	.....	100,000	100,000	.....
Cedar Valley Rehabilitation Workshop, Inc., Austin, Minnesota <i>Toward costs for construction of additional space for a sheltered workshop for handicapped people</i>	100,000	.....	100,000	.....	100,000
Goodwill Industries Vocational Enterprises, Inc., Duluth, Minnesota <i>Toward purchase and renovation costs of a building for a consolidated sheltered workshop for handicapped people</i>	150,000	.....	150,000	.....	150,000

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
Minnesota Association for Retarded Citizens, Inc., Minneapolis <i>To support capital campaign for Camp Friendship, Annandale, Minnesota</i>	35,000	.....	35,000	35,000	.....
Minnesota Diversified Industries, Inc., Saint Paul <i>Toward building renovation for a sheltered workshop for handicapped people</i>	80,000	.....	80,000	80,000	.....
Minnesota Society for Crippled Children and Adults, Golden Valley, Minnesota <i>Second-year support toward operating costs for rehabilitation engineering program</i>	20,000	20,000	.....	20,000	.....
Rehabilitation Institute of Chicago, Chicago, Illinois <i>To begin an industrial engineering program</i>	75,000	50,000	.....	25,000	25,000
Union Gospel Mission Association, Saint Paul <i>To assist moving the Mission's adult facilities to a new site</i>	500,000	400,000	.....	400,000	.....
<b>United Funds</b>					
United Way of the Minneapolis Area, Minneapolis <i>For the capital campaign</i>	400,000	.....	400,000	130,000	270,000
United Way of the Saint Paul Area, Saint Paul <i>For the 1979 annual campaign</i>	235,000	235,000	.....	235,000	.....
<i>For the 1980 annual campaign</i>	265,000	.....	265,000	.....	265,000
<i>For the capital campaign</i>	1,500,000	.....	1,500,000	300,000	1,200,000
<b>Youth and Family Services</b>					
American Lutheran Church, Minneapolis <i>Support for the Center for Children, an after-school program for inner-city children sponsored by Central Lutheran Church in Minneapolis</i>	25,000	8,000	.....	8,000	.....
Boys' Club of Rapid City, Rapid City, South Dakota <i>To support training of Indian youth for future careers with youth service organizations</i>	30,000	20,400	.....	12,000	8,400

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
Central Minnesota Task Force on Battered Women, Inc., Saint Cloud, Minnesota <i>Toward start-up costs of a battered women's shelter</i>	25,000	.....	25,000	25,000	.....
Children's Village — Family Service, Fargo, North Dakota <i>To support expansion of an educational family financial counseling program</i>	150,000	.....	150,000	.....	150,000
Forest Lake Area Youth Bureau, Forest Lake, Minnesota <i>To match a Federal grant to start a restitution program for juvenile delinquents in Washington County</i>	27,251	.....	27,251	17,251	10,000
Girls Club of Rapid City, Inc., Rapid City, South Dakota <i>Toward costs of renovation and expansion of present facility</i>	45,000	.....	45,000	45,000	.....
Harriet Tubman Women's Shelter, Minneapolis <i>Toward start-up costs of a shelter for battered women and their children</i>	70,000	15,000	.....	15,000	.....
New Connection Programs, Inc., Saint Paul <i>Toward renovation costs of establishing a primary-care treatment center for drug dependent youth</i>	50,000	.....	50,000	50,000	.....
Plymouth Christian Youth Center, Minneapolis <i>Toward building remodeling program</i>	25,000	.....	25,000	25,000	.....
Shanti House, Inc., Minneapolis <i>Toward the purchase and renovation costs of a halfway house for chemically dependent adolescents</i>	45,000	.....	45,000	45,000	.....
Volunteers of America, Inc., Minneapolis <i>Toward capital fund campaign for Bar-None Boys' Ranch and Galloway Boys' Ranch</i>	45,000	.....	45,000	45,000	.....
Women's Shelter, Inc., Rochester, Minnesota <i>Toward start-up costs of a shelter for battered women and their children</i>	21,075	12,500	.....	12,500	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>Law and Corrections</b>					
Hennepin County Bar Foundation, Minneapolis <i>Toward start-up costs for tele-law legal education program</i>	15,000	.....	15,000	15,000	.....
Legal Rights Center, Minneapolis <i>To support addition of two minority interns and attorneys</i>	64,860	.....	64,860	15,400	49,460
Metropolitan Community Corrections Association, Minneapolis <i>Toward start-up costs of service organization for corrections program</i>	25,000	10,000	.....	10,000	.....
<b>Other Human Services</b>					
Cedar-Riverside People's Center, Minneapolis <i>Toward renovation costs for medical clinic and other service programs</i>	150,000	.....	150,000	.....	150,000
Center for Women, Inc., Minneapolis <i>Toward building renovation costs</i>	20,000	20,000	.....	.....	20,000
Community Design Center of Minnesota, Minneapolis <i>To support CDC services in two Saint Paul neighborhoods</i>	65,000	.....	65,000	31,300	33,700
Community Planning Organization, Inc., Saint Paul <i>Toward operating costs</i>	30,000	.....	30,000	15,000	15,000
Minneapolis Communications Center, Minneapolis <i>Toward costs of expanding a program of financial services for non-profit organizations</i>	65,000	.....	65,000	25,000	40,000
River Park Center, Pierre, South Dakota <i>Toward construction costs of a learning center for alcoholism treatment programs</i>	35,000	35,000	.....	.....	35,000
Working Opportunities for Women, Saint Paul <i>Toward operating support for an employment counseling program for women</i>	40,000	.....	40,000	25,000	15,000
<b>TOTAL — HUMAN SERVICES</b>		<u>\$ 825,900</u>	<u>\$ 3,472,111</u>	<u>\$ 1,761,451</u>	<u>\$ 2,536,560</u>

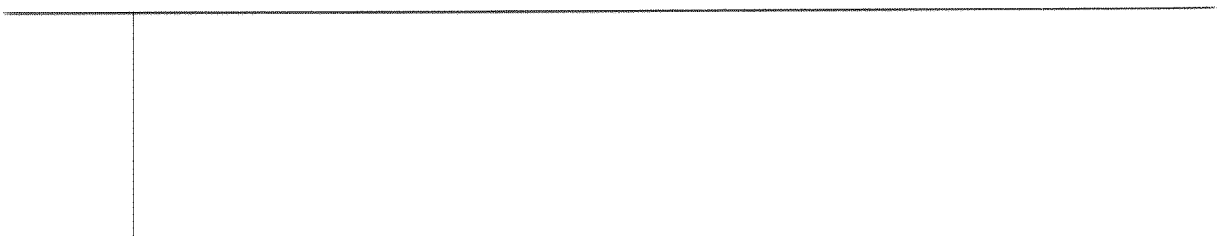
Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>E. MISCELLANEOUS</b>					
<b>Communications</b>					
Community Film Workshop of Chicago, Chicago, Illinois <i>Toward costs of purchasing equipment for minority training program in film and television</i>	55,000	12,000	.....	12,000	.....
Minnesota Public Radio, Saint Paul <i>To match increased membership income</i>					
1978 grant	67,500	67,500	.....	67,500	.....
1979 grant	73,818	.....	73,818	.....	73,818
<i>To support capital campaign</i>	600,000	.....	600,000	200,000	400,000
South Dakota Friends of Public Broadcasting, Brookings, South Dakota <i>To continue membership challenge grant and to support advertising costs</i>	60,000	40,000	.....	40,000	.....
Twin Cities Public Television, Inc., Saint Paul <i>To support KTCA/KTCI (channels 2 and 17) three-year fund drive</i>	900,000	350,000	.....	250,000	100,000
The University of North Dakota-Public Radio Station KFJM, Grand Forks, North Dakota <i>To support costs of establishing full-time development office and to match increased membership income</i>	40,000	.....	40,000	30,000	10,000
Vermilion Community College, Ely, Minnesota <i>Toward purchase and installation of a 10-watt FM translator to broadcast Minnesota Public Radio</i>	6,335	6,335	.....	6,335	.....
<b>Other Miscellaneous</b>					
Businessmen for the Public Interest, Inc., Chicago, Illinois <i>Toward operating costs First renewal</i>	15,000	.....	15,000	15,000	.....
Coalition of National Voluntary Organizations, Washington, D.C. <i>Toward development of a new national organization to strengthen private non-profit organizations</i>	60,000	.....	60,000	30,000	30,000

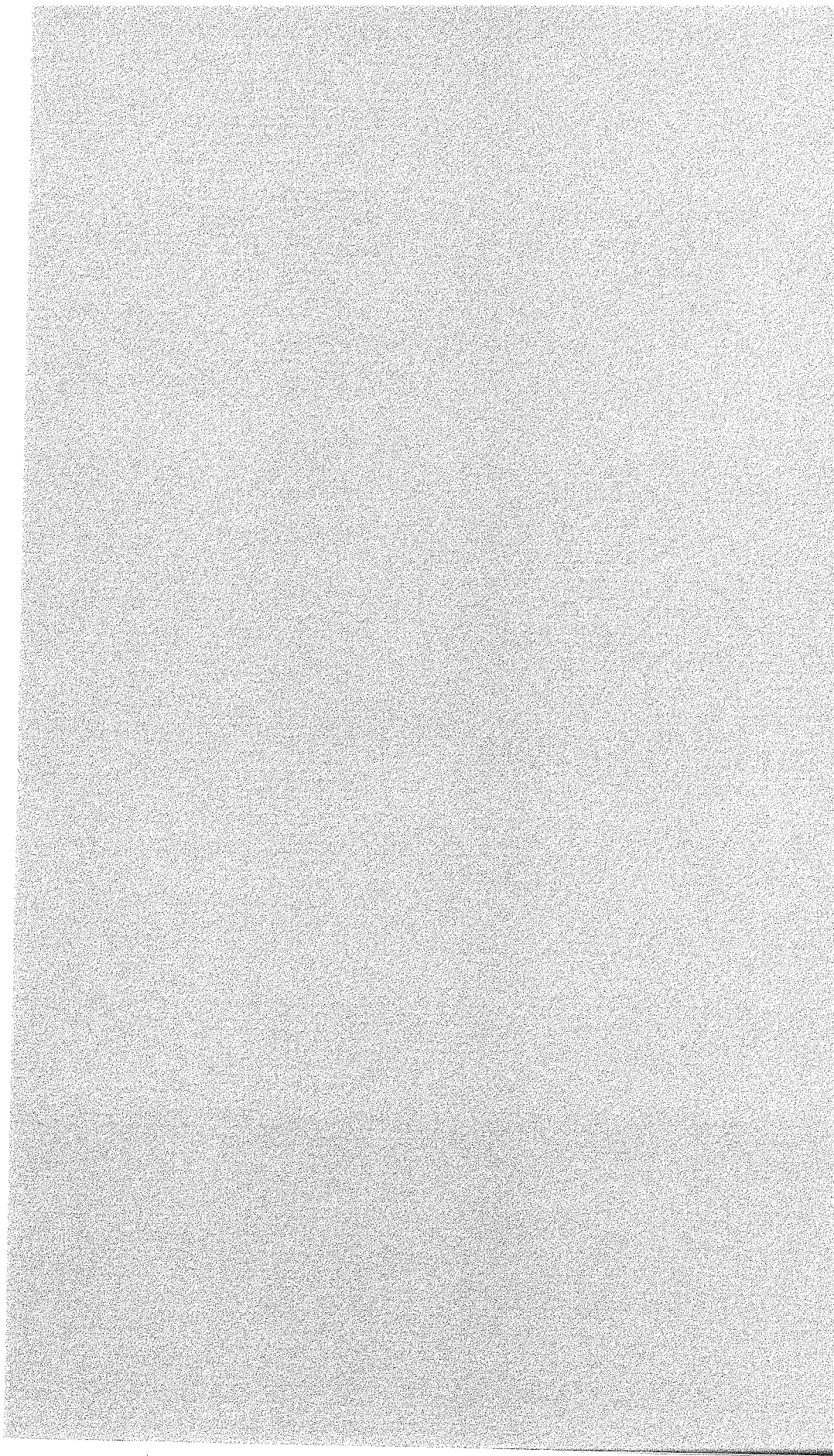


Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
Executive Service Corps of Chicago, Chicago, Illinois <i>To support program that provides non-profit agencies with volunteer consultant assistance from retired executives</i>	15,000	.....	15,000	10,000	5,000
Foundation Center, Inc., New York, New York <i>Renewed three-year support for the Foundation Resource Center</i>	75,000	.....	75,000	25,000	50,000
Inroads, Inc., Chicago, Illinois <i>Toward costs of developing an employment preparation program for minority students in Minneapolis and Saint Paul, Minnesota</i>	15,000	.....	15,000	15,000	.....
Metropolitan Economic Development Association, Minneapolis <i>To help support business leadership training program for minority entrepreneurs in the Twin Cities in 1980</i>	39,140	.....	39,140	.....	39,140
National Committee for Responsive Philanthropy Washington, D.C. <i>Toward operating support</i>	15,000	.....	15,000	15,000	.....
The North Dakota Community Foundation, Bismarck, North Dakota <i>Toward endowment of a new grantmaking community foundation in North Dakota</i>	250,000	201,220	.....	35,700	165,520
Southwest State University Foundation, Marshall, Minnesota <i>To support planning and administrative activities of the Countryside Council during 1979-80</i>	51,314	.....	51,314	51,314	.....
Youth Farm Program, Inc., Saint Paul <i>Toward operating support for a program which places inner-city teenagers in short-term working positions on Minnesota farms</i>	5,000	.....	5,000	5,000	.....
TOTAL — MISCELLANEOUS		<u>\$ 677,055</u>	<u>\$ 1,004,272</u>	<u>\$ 807,849</u>	<u>\$ 873,478</u>

Organization and Purpose	Initial Grant	Unpaid Balance 1978	Appropriated 1979	Amount Paid 1979	Unpaid Balance 1979
<b>F. FELLOWSHIP PROGRAMS</b>					
Bush Leadership Fellows and Summer Fellows Program <i>To provide mid-career study and internship opportunities for selected residents of Minnesota, North Dakota, South Dakota, and Western Wisconsin</i>					
1976 program	467,800	4,100	(1,440)	2,660	. . . .
1977 program	483,000	63,502	(16,224)	36,278	11,000
1978 program	500,000	300,761	. . . .	249,515	51,246
1979 program	547,000	547,000	. . . .	172,052	374,948
1980 program	603,000	. . . .	603,000	. . . .	603,000
<b>TOTAL — BUSH LEADERSHIP FELLOWS PROGRAM</b>		<u>\$ 915,363</u>	<u>\$ 585,336</u>	<u>\$ 460,505</u>	<u>\$ 1,040,194</u>
Bush Foundation Fellowships for Artists <i>To enable selected writers and visual artists in Minnesota to set aside a significant period of time for work in their chosen art forms</i>					
1977 program	72,000	1,867	(705)	1,162	. . . .
1978 program	96,000	65,103	. . . .	64,095	1,008
1979 program	112,000	112,000	. . . .	44,368	67,632
1980 program	140,000	. . . .	140,000	. . . .	140,000
<b>TOTAL — BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS</b>		<u>\$ 178,970</u>	<u>\$ 139,295</u>	<u>\$ 109,625</u>	<u>\$ 208,640</u>
Bush Clinical Fellows Program <i>To provide mid-career study opportunities for primary care physicians in rural Minnesota</i>					
1979 program	270,000	270,000	. . . .	25,634	244,366
1980 program	306,000	. . . .	306,000	. . . .	306,000
<b>TOTAL — BUSH CLINICAL FELLOWS PROGRAM</b>		<u>\$ 270,000</u>	<u>\$ 306,000</u>	<u>\$ 25,634</u>	<u>\$ 550,366</u>
<b>GRAND TOTAL</b>		<u>\$12,282,480</u>	<u>\$11,987,345*</u>	<u>\$ 8,302,828</u>	<u>\$15,966,997</u>

\*This figure is the net total appropriated during the 1979 fiscal year. It represents gross appropriations of \$12,343,814 less cancellations and returns of \$356,469.





REPORT OF THE TREASURER



## REPORT OF THE TREASURER

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The financial statements of the Foundation which appear on the following pages have been audited by Deloitte Haskins & Sells.

Total assets of the Foundation had a market value of \$217,820,310 on November 30, 1979, an increase of \$20,002,544 over November 30, 1978. A list of securities held by the Foundation is a part of the financial statements.

The time-weighted total return on investments managed by investment advisors (dividends, interest and appreciation) was 15.6% in 1978-79, a significant improvement over the 5.4% realized in 1977-78. The total return on equities was 22.4% which compares favorably with the 9.1% total return on the Dow Jones Industrials and the 17.9% on the S & P 500 stocks.

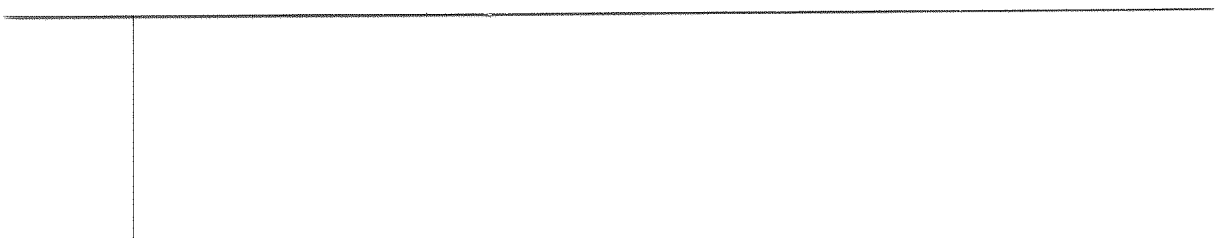
Investment income in the year was \$14,007,680, a 21.7% increase over 1977-78 income of \$11,505,567. Investment expenses were \$383,808 including \$266,599 for investment counsel fees. The provision for current excise taxes at the 2% rate is \$296,000. Administrative expenses related to grantmaking activities were \$659,853 vs \$614,635 in 1977-78. All deductions from income were \$1,339,661 vs \$1,200,039 in the previous year.

The Board approved grants totalling \$12,343,814 in the year and cancellations and refunds reduced the amount to a net of \$11,987,345 which was \$2,305,510 greater than in 1977-78. Grant payments of \$8,302,828 were \$220,354 less than in 1978 but unpaid grant commitments increased \$3,684,518 to \$15,966,998 at year end.

Brown Brothers Harriman and Company of New York, the First National Bank of Minneapolis and the Harris Trust and Savings Bank of Chicago are investment advisors to the Board. The Investment Committee of the Board meets regularly with the advisors for review and evaluation of investment performance and discussion of investment policy.

John A. McHugh  
Treasurer

10/10/10



AUDITORS' OPINION

To the Board of Directors of  
The Bush Foundation

We have examined the balance sheets of The Bush Foundation as of November 30, 1979 and 1978 and the related statements of changes in fund balances and cash balances for the years then ended. Our examinations were 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 at November 30, 1979 and 1978 and the changes in fund balances and cash balances for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examination also comprehended the Foundation's supplemental schedule of investments at November 30, 1979. In our opinion, such supplemental schedule, when considered in relation to the basic financial statements, presents fairly in all material respects the information shown therein.

January 25, 1980

*Deloitte Haskins & Sells*



## BALANCE SHEETS, NOVEMBER 30, 1979 AND 1978

ASSETS	1979	1978
CASH, including \$62,718 in 1979 and \$171,085 in 1978 held by fiscal agents for investments	<u>\$ 329,417</u>	<u>\$ 316,967</u>
INVESTMENTS, principally at quoted market value (see Schedule):		
U.S. Treasury Bills, certificates of deposit and commercial paper	28,617,270	45,728,841
Corporate, Foreign and U.S. Government and Government Agency bonds and notes, amortized cost of \$66,759,890 in 1979 and \$45,342,362 in 1978	60,280,585	43,740,568
Common stocks and equity related preferred stocks and bonds, cost of \$102,461,807 in 1979 and \$99,976,353 in 1978	<u>126,031,285</u>	<u>105,678,927</u>
Total investments	<u>214,929,140</u>	<u>195,148,336</u>
DIVIDENDS AND INTEREST RECEIVABLE	<u>2,514,394</u>	<u>2,276,227</u>
FURNITURE, EQUIPMENT AND OTHER ASSETS	<u>57,359</u>	<u>86,236</u>
TOTAL ASSETS	<u><u>\$217,830,310</u></u>	<u><u>\$197,827,766</u></u>

<u>LIABILITIES AND FUND BALANCES</u>	<u>1979</u>	<u>1978</u>
ACCOUNTS PAYABLE	\$ 93,674	\$ 83,781
DUE TO FISCAL AGENTS FOR SECURITIES WITH SETTLEMENT PENDING	<u>1,384,127</u>	<u>1,355,329</u>
ACCRUED FEDERAL EXCISE TAXES (Note 3):		
Current	<u>297,991</u>	<u>224,854</u>
Deferred	<u>342,000</u>	<u>37,000</u>
GRANTS SCHEDULED FOR PAYMENT IN FISCAL YEAR:		
1979	. . . .	6,663,414
1980	9,620,100	2,834,516
1981	4,222,238	1,545,550
1982	1,930,660	1,239,000
1983	<u>194,000</u>	. . . .
Total unpaid grants	<u>15,966,998</u>	<u>12,282,480</u>
FUND BALANCES (Notes 1, 2, and 5)	<u>199,745,520</u>	<u>183,844,322</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$217,830,310</u>	<u>\$197,827,766</u>

See accompanying Notes to Financial Statements.

**STATEMENTS OF CHANGES IN FUND BALANCES FOR  
THE YEARS ENDED NOVEMBER 30, 1979 AND 1978**

	1979	1978
<b>INCOME FUND:</b>		
Investment income:		
Dividends	\$ 5,033,071	\$ 4,445,380
Interest	8,974,609	7,060,187
Other income	346,772	2,842
Less:		
Investment expenses (Note 4)	(383,808)	(362,404)
Provision for Federal excise tax - current (Note 3)	(296,000)	(223,000)
Net investment income	13,674,644	10,923,005
Administrative expenses (Note 4)	(659,853)	(614,635)
Investment income available for grant appropriation	13,014,791	10,308,370
Grants appropriated during year-net of cancellations (Note 1)	(11,987,345)	(9,681,835)
Grants (over) under income available:		
Current year	1,027,446	626,535
Prior years	(9,432,620)	(10,059,155)
End of year	(8,405,174)	(9,432,620)
<b>PRINCIPAL FUND:</b>		
Balance beginning of year	193,276,942	193,374,125
Received from estate of A. G. Bush (Note 2)	912,772	60,027
Decrease (increase) in deferred Federal excise taxes	(305,000)	(37,000)
Net realized gain (loss) on security transactions	1,276,588	(2,284,704)
Net unrealized appreciation (depreciation) in market value of investments	12,989,392	2,164,494
Balance end of year	208,150,694	193,276,942
<b>FUND BALANCES, END OF YEAR</b>	<b>\$199,745,520</b>	<b>\$183,844,322</b>

See accompanying Notes to Financial Statements.

**STATEMENTS OF CHANGES IN CASH BALANCES FOR  
THE YEARS ENDED NOVEMBER 30, 1979 AND 1978**

	1979	1978
CASH PROVIDED FROM INCOME AND GRANT TRANSACTIONS:		
Source:		
Receipts from dividends, interest and other	\$ 15,029,654	\$11,345,668
Less disbursements for investment and administrative expenses, Federal excise taxes and other expenditures	<u>(1,228,351)</u>	<u>(1,504,021)</u>
Cash available for grants	13,801,303	9,841,647
Application:		
Grants paid	<u>8,302,828</u>	<u>8,523,182</u>
Increase in cash from income and grant transactions	5,498,475	1,318,465
NET PAYMENTS FOR INVESTMENT TRANSACTIONS	<u>5,486,025</u>	<u>1,671,088</u>
Increase (decrease) in cash	12,450	(352,623)
CASH BALANCE, Beginning of year	<u>316,967</u>	<u>669,590</u>
CASH BALANCE, End of year	<u>\$ 329,417</u>	<u>\$ 316,967</u>

See accompanying Notes to Financial Statements.

## NOTES TO FINANCIAL STATEMENTS

(1) *Accounting Policies:*

The financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. The more significant accounting policies are as follows:

*Description of Funds:*

The principal fund represents assets which are invested in income-producing securities. The fund is not available for distribution unless authorized by the Board of Directors. Legal fees incurred for the protection of principal are charged to the principal fund balance.

The income fund primarily represents income earned on invested principal which is available for grant appropriation and payment of investment and administrative expenses.

*Investments:*

The investments are recorded at quoted market values or at costs which approximate market values. Realized and unrealized gains and losses on investment transactions are accounted for in the principal fund.

*Property:*

The Foundation follows for financial reporting purposes of method allowed by Internal Revenue Service regulations of allocating the cost of property (principally office furniture and office equipment) between income-producing and grantmaking activities. The allocated cost of income-producing assets is capitalized and depreciated over the property's useful life; the cost of assets allocated to grantmaking activities is charged to operations in the year of acquisition. Such charges to the income fund were \$912 in 1979 and \$16,594 in 1978.

*Grant Appropriations:*

Grants are recorded when approved by the Foundation's Board of Directors. Cancellations of grants occur when the grantees do not meet the terms under which the grants were awarded. Grants appropriated as reported in the accompanying statement of changes in income fund are net of cancellations of \$356,469 in 1979 and \$238,819 in 1978.

(2) *Estate of A. G. Bush:*

In 1979, the Foundation received \$912,772 in the final distribution of the remaining assets of the Estate of A. G. Bush. This amount includes \$38,274 of income earned on the assets of the Estate pending the final distribution. Income on such assets of \$60,027 was distributed to the Foundation in 1978 and recorded in the principal fund.

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

*Federal Excise Taxes:*

The Foundation is subject to a 2% excise tax on its taxable investment income which principally includes income from investments plus net realized capital gains (net capital losses, however are not deductible).

Accrued Federal excise taxes at November 30, 1979 and 1978 included \$342,000 and \$37,000, respectively, of deferred Federal excise taxes resulting from recorded unrealized appreciation in the market value of investments of \$17,090,000 and \$4,101,000, respectively.

*Distribution Requirements:*

The Foundation is subject to the distribution requirements of the Internal Revenue Code. Accordingly, it must distribute the higher of adjusted net income or 5% of the average market value of its assets as defined. The Foundation has complied with these distribution requirements as of November 30, 1979 and 1978.

(4) *Investment and Administrative Expenses:*

The classification of expenses between investment and administrative (grant related) activities is determined by either the specific identification of the expenditure or are allocated based on management estimates. The classifications for 1979 and 1978 are as follows:

	1979		Total
	Investment	Administrative	
Salaries and staff benefits	\$ 66,652	\$303,639	\$ 370,291
Investment management	266,599	.....	266,599
Program management	.....	121,651	121,651
Consulting fees	.....	31,989	31,989
Other administrative expenses	50,557	202,574	253,131
Total	<u>\$383,808</u>	<u>\$659,853</u>	<u>\$1,043,661</u>

	1978		Total
	Investment	Administrative	
Salaries and staff benefits	\$ 62,209	\$278,121	\$340,330
Investment management	239,854	.....	239,854
Program management	.....	88,221	88,221
Consulting fees	.....	27,632	27,632
Other administrative expenses	60,341	220,661	281,002
Total	<u>\$362,404</u>	<u>\$614,635</u>	<u>\$977,039</u>

(5) *Unrecorded Remainder Interest in Trust:*

The Foundation has a remainder interest in the net assets of a trust which will be recorded upon receipt of the assets in 1983. Based upon information furnished by the trustee, the quoted market value of the assets in this trust at November 30, 1979 was approximately \$500,000.

**SCHEDULE OF INVESTMENTS HELD  
NOVEMBER 30, 1979**

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
U.S. Treasury Bills, Certificates of Deposit and Commercial Paper:			
U.S. Treasury Bills:			
11.95% due February 21, 1980	\$ 1,000,000	\$ 970,120	\$ 970,120
Certificates of Deposit:			
Chemical Bank, 10%, due December 18, 1979	500,000	500,000	500,000
First National Bank of Chicago, 12.375%, due December 28, 1979	1,300,000	1,300,000	1,300,000
Bankers Trust Company, 10%, due January 15, 1980	500,000	500,000	500,000
Bank of America, 10.95%, due February 19, 1980	500,000	500,000	500,000
Bankers Trust Company, 10.875%, due February 19, 1980	500,000	500,000	500,000
Chemical Bank, 11.825%, due March 10, 1980	1,000,000	1,000,000	1,000,000
Chase Manhattan Bank, 11.875%, due March 17, 1980	500,000	500,000	500,000
Chemical Bank, 13.70%, due April 14, 1980	500,000	500,000	500,000
Bank of America, 13.75%, due April 14, 1980	500,000	500,000	500,000
Commercial Paper:			
Associates Corporation of North America, demand note	23,000	23,000	23,000
Borg Warner Acceptance Corporation, demand note	1,226,000	1,226,000	1,226,000
Burlington Northern Inc., variable demand note	1,231,000	1,231,000	1,231,000
Abbott Laboratories, demand note	30,000	30,000	30,000
General Finance Corporation, demand note	78,000	78,000	78,000
General Motors Acceptance Corporation, promissory note	1,996,000	1,996,000	1,996,000
General Telephone & Electronics Corporation, demand note	38,000	38,000	38,000
Walter E. Heller International Corporation, demand note	636,000	636,000	636,000
International Harvester Credit Corporation, demand note	8,000	8,000	8,000
Quaker Oats Company, demand note	49,000	49,000	49,000
Texas Commerce Bancshares, demand note	1,197,000	1,197,000	1,197,000
C.I.T. Financial Corporation, 14.2% note, due December 3, 1979	843,000	832,692	832,692
Walter E. Heller International Corporation, 14.2% note, due December 5, 1979	563,000	556,338	556,338

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
General Motors Acceptance Corporation, 12.574% note, due December 10, 1979	\$ 1,030,000	\$ 1,030,000	\$ 1,030,000
Commercial Credit Company, 13.9% note, due December 10, 1979	1,136,000	1,121,964	1,121,964
Sears, Roebuck Acceptance Corporation, 14.125% note, due December 11, 1979	1,305,000	1,288,615	1,288,615
Walter E. Heller International Corporation, 14.10% note, due December 13, 1979	510,000	504,008	504,008
Ford Motor Credit Company, 13.909% note, due December 14, 1979	185,000	185,000	185,000
General Motors Acceptance Corporation, 13.327% note, due December 14, 1979	215,000	215,000	215,000
J. C. Penney Financial Corporation, 12.117% note, due December 14, 1979	100,000	100,000	100,000
International Harvester Credit Corporation, 13.150% note, due December 17, 1979	1,523,000	1,523,000	1,523,000
Ford Motor Credit Company, 12.150% note, due December 26, 1979	320,000	320,000	320,000
Sears, Roebuck Acceptance Corporation, 10.50% note, due December 27, 1979	640,000	640,000	640,000
Montgomery Ward Credit Corporation, 12.125% note, due December 28, 1979	1,993,000	1,972,862	1,972,862
Walter E. Heller International Corporation, 12.25% note, due December 28, 1979	620,000	613,671	613,671
Ford Motor Credit Company, 13.25% note, due January 14, 1980	1,059,000	1,059,000	1,059,000
Ford Motor Credit Company, 12.716% note, due January 15, 1980	175,000	175,000	175,000
Ford Motor Credit Company, 12.125% note, due January 15, 1980	115,000	115,000	115,000
General Motors Acceptance Corporation, 13.00% note, due January 21, 1980	1,697,000	1,697,000	1,697,000
International Harvester Credit Corporation, 14.25% note, due February 4, 1980	<u>1,386,000</u>	<u>1,386,000</u>	<u>1,386,000</u>
Total U.S. Treasury Bills, Certificates of Deposit and Commercial Paper	<u>28,727,000</u>	<u>28,617,270</u>	<u>28,617,270</u>
Corporate, Foreign and U.S. Government and Government Agency Bond and Notes:			
Aluminum Corporation of America, 9.45% registered sinking fund debentures, due May 15, 2000	500,000	488,432	435,000
Anheuser Busch Company, 9.20% registered sinking fund debentures, due April 1, 2005	750,000	783,092	652,500
Atlantic Richfield Company, 8.625% registered sinking fund debentures, due April 1, 2000	750,000	731,628	629,063
Bell Telephone Company of Pennsylvania, 9.625% registered debentures, due July 15, 2014	1,000,000	1,005,825	920,000



Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Bendix Corporation, 6.625% registered sinking fund debentures, due December 1, 1992	\$ 500,000	\$ 425,255	\$ 378,750
Borden, Inc., 8.50% registered sinking fund debentures, due April 1, 2004	750,000	734,833	622,500
Canadian National Railway Company, 9.70% registered sinking fund debentures, due July 15, 2004	1,000,000	959,527	895,000
Carolina Power & Light Company, 10.50% registered first mortgage bonds, due May 15, 2009	750,000	750,000	679,687
Caterpillar Tractor Company, 8.60% registered debentures, due May 1, 1999	750,000	696,127	624,375
Citizens Savings and Loan Association of California, 9.50% registered mortgage backed bond, due July 1, 1989	1,000,000	997,593	903,750
Columbia Gas System, Inc., 10.125% registered debentures, due November 1, 1995	950,000	1,037,255	858,563
DuPont (E.I.) de Nemours & Company, 8.45% registered debentures, due November 15, 2004	750,000	759,326	630,000
European Investment Bank, 10% registered bonds, due June 1, 1999	750,000	752,774	712,500
Farmers Home Administration, 7.875% registered certificate of beneficial ownership, Series 7, due June 30, 1981	500,000	500,000	470,000
Federal Home Loan Banks, 8.625% registered consolidated bonds, due February 25, 1982	500,000	500,000	472,345
Federal Housing Administration, 7.474% insured project notes, due March 15, 2019	499,971	407,103	354,355
First Federal Savings & Loan Association of Chicago, 8.75% registered mortgage certificate, Series A, due June 1, 2006	363,322	363,322	302,466
Ford Motor Credit Company, 8.375% registered debentures, due November 1, 2001	1,000,000	897,495	798,750
Ford Motor Credit Company, 7.875% registered note, due July 1, 1989	1,050,000	929,901	826,875
General Mills, Inc., 9.375% registered sinking fund debentures, due March 1, 2009	750,000	684,807	652,500
General Motors Corporation, 8.625% registered debentures, due April 1, 2005	1,500,000	1,282,303	1,261,875
General Motors Acceptance Corporation, 8% registered debentures, due July 15, 2007	1,000,000	882,980	758,750
General Telephone Company of California, 10.75% registered first mortgage bonds, Series BB, due October 1, 2009	1,000,000	944,355	903,750
Government National Mortgage Association, 7.50% registered pool number 10599, due March 15, 2006	689,000	688,811	527,085

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Government National Mortgage Association, 9.50% registered pool number 34970, due September 15, 2009	\$ 249,887	\$ 215,463	\$ 221,000
Government National Mortgage Association, 9.50% registered pool number 33014, due October 15, 2009	500,000	450,444	442,200
Government National Mortgage Association, 9.50% registered pool number 34867, due October 15, 2009	1,000,000	862,241	884,400
Government National Mortgage Association, 9.50% registered pool number 36692, due November 15, 2009	300,000	257,733	265,320
Government National Mortgage Association, 9.50% registered pool number 33200, due July 15, 2009	499,059	460,327	441,368
Government National Mortgage Association, 7.50% registered pool number 7668, due September 15, 2005	835,118	770,999	638,865
Government National Mortgage Association, 7.50% registered pool number 13696, due November 15, 2006	765,913	715,861	585,923
Government National Mortgage Association, 7.50% registered pool number 10619, due March 15, 2006	896,396	837,897	685,743
Government National Mortgage Association, 9% registered pool number 23725, due October 15, 2008	993,248	972,329	854,193
Great Western Savings & Loan Association, 9.50% registered mortgage backed bonds, Series B, due July 1, 1989	1,000,000	997,604	903,750
Gulf Power Company, 10.25% registered first mortgage bonds, due May 1, 2009	750,000	732,990	663,750
Gulf States Utilities Company, 8.625% registered first mortgage bonds, due March 1, 2004	750,000	735,412	571,875
Kerr-McGee Corporation, 8.50% registered sinking fund debentures, due June 1, 2006	750,000	720,211	675,000
Krafftco Corporation, 8.375% registered debentures, due April 15, 2004	750,000	724,700	600,000
Liggett Group, Inc., 7.60% registered sinking fund debentures, due May 1, 1997	1,250,000	1,040,262	931,250
Monsanto Company, 8.75% registered sinking fund debentures, due May 15, 2008	750,000	740,064	607,500
Montana Dakota Utilities Company, 9.25% registered first mortgage bonds, due September 15, 2003	500,000	497,674	408,750
Montana Power Company, 9.60% registered first mortgage bonds, due July 1, 2005	750,000	726,474	617,813
Mountain States Telephone & Telegraph Company, 8.625% registered debentures, due April 1, 2018	750,000	669,323	615,000

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
National Rural Utilities Cooperative Financial Corporation, 9.75% trust, Series F, due April 1, 2009	\$ 1,000,000	\$ 995,308	\$ 885,000
Ontario Province, Canada, 9.75% registered debentures, due March 1, 2009	750,000	744,526	653,437
Ontario Province, Canada, 9.25% registered debentures, due November 15, 2005	500,000	484,351	416,250
Pacific Telephone & Telegraph Company, 9.625% registered debentures, due July 15, 2018	750,000	754,061	622,500
Pacific Telephone & Telegraph Company, 9.625% registered debentures, due November 1, 2014	1,000,000	793,017	822,500
Penncorp Financial, 10% subordinated debenture, due April 29, 1997	13,880	-0-	9,716
Pfizer, Inc., 9.25% registered debentures, due August 15, 2000	500,000	490,642	440,000
Public Service Electric & Gas Company, 12.00% first and refunding mortgage bonds, Series L, due November 1, 2009	1,000,000	1,000,000	1,010,000
Sohio British Petroleum Trans Alaska Pipeline Capital, Inc., 9.75% registered debentures, due December 1, 1999	800,000	796,686	736,000
Southern New England Telephone Company, 9.625% registered debentures, due December 1, 2010	1,000,000	998,389	855,000
Union Carbide Corporation, 8.50% registered debentures, due January 15, 2005	750,000	751,099	615,000
Union Oil of California, 8.625% registered debentures, due March 1, 2006	750,000	722,474	607,500
U.S. Treasury Notes, 7.50%, due December 31, 1979	1,000,000	1,000,323	996,250
U.S. Treasury Notes, 8.875%, due June 30, 1983	2,000,000	1,999,697	1,908,740
U.S. Treasury Notes, 8.75%, due November 15, 1988	750,000	731,736	682,965
U.S. Treasury Notes, 10.75%, due November 15, 1989	1,000,000	1,024,986	1,022,500
U.S. Treasury Bonds, 4.25%, due May 15, 1985	500,000	414,929	389,685
U.S. Treasury Bonds, 7.875%, due February 15, 1993	2,000,000	1,968,973	1,656,240
U.S. Treasury Bonds, 9%, due February 15, 1994	4,000,000	3,951,923	3,625,000
U.S. Treasury Bonds, 8.375%, due August 15, 2000	750,000	687,950	638,438
U.S. Treasury Bonds, 7.625%, due February 15, 2007	1,000,000	875,548	788,440
U.S. Treasury Bonds, 8.75%, due November 15, 2008	9,250,000	9,087,578	8,157,297
U.S. Treasury Bonds, 9.125%, due May 15, 2009	2,400,000	2,295,732	2,199,000
U.S. Treasury Bonds, 10.375%, due November 15, 2009	1,250,000	1,288,232	1,283,988

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Wickes Corporation, 7.875% registered sinking fund debentures, due May 1, 1998	\$ 750,000	\$ 636,534	\$ 558,750
Xerox Corporation, 8.625% registered sinking fund debentures, due November 1, 1999	<u>1,000,000</u>	<u>934,444</u>	<u>816,250</u>
Total Corporate, Foreign and U.S. Government and Government Agency Bonds and Notes	<u>69,555,794</u>	<u>66,759,890</u>	<u>60,280,585</u>
<b>Equity Related Preferred Stocks and Bonds:</b>			
Burlington Northern Inc., \$2.85 Convertible Preferred Stock	20,000	1,000,000	1,057,500
International Telephone & Telegraph Corporation, \$4 Series J convertible preferred stock	10,000	464,750	425,000
Baxter Travenol Laboratories, Inc., 4.375% convertible subordinated debentures, due November 1, 1991	570,000	708,150	723,900
Baxter Travenol Laboratories, Inc., 4.75% convertible subordinated debentures, due January 1, 2001	300,000	284,029	316,500
Caterpillar Tractor Company, 5.50% convertible debentures, due June 30, 2000	1,000,000	1,117,781	1,080,000
Citicorp, 5.75% convertible subordinated notes, due June 30, 2000	1,165,000	896,205	774,725
Deere & Company, 5.50% convertible subordinated debentures, due January 15, 2001	1,000,000	1,187,043	1,120,000
First Bank System, Inc., 6.25% convertible subordinated debentures, due June 30, 2000	500,000	439,902	420,000
General Telephone & Electronics Corporation, 6.25% convertible debentures, due September 15, 1996	500,000	457,896	415,000
Houston Lighting & Power Company, 5.50% convertible debentures, due February 1, 1985	500,000	457,543	422,500
K Mart Corporation, 6% convertible subordinated debentures, due July 15, 1999	500,000	482,594	427,500
Northwest Bancorporation, 6.75% convertible debentures, due July 1, 2003	200,000	<u>199,527</u>	<u>187,000</u>
Total Equity Related Preferred Stocks and Bonds		<u>7,695,420</u>	<u>7,369,625</u>
<b>Common Stocks:</b>			
Abbot Laboratories	32,000	748,073	1,276,000
Aetna Life & Casualty Company	40,000	878,813	1,385,000
Air Products & Chemicals, Inc.	20,000	274,883	630,000
Aluminum Company of America	20,000	874,875	1,030,000
Amax, Inc.	25,000	812,479	1,025,000
American Can Company	15,000	628,552	525,000

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
American Home Products Corporation	\$ 30,000	\$ 933,862	\$ 840,000
American Hospital Supply Corporation	30,000	1,098,150	975,000
American Telephone and Telegraph Company	75,494	3,932,162	4,057,802
Atlantic Richfield Company	20,000	1,154,663	1,567,500
Barnett Banks of Florida, Inc.	20,000	397,250	402,500
Beatrice Foods Company	35,000	824,225	726,250
Best Products Company, Inc.	30,000	390,012	723,750
Boeing Company	10,000	351,500	452,500
Bristol Myers Company	20,000	659,838	725,000
Burroughs Corporation	30,000	1,940,967	2,392,500
CPC International, Inc.	15,000	748,996	896,250
Cameron Iron Works, Inc.	10,000	298,600	720,000
Coastal States Gas Corporation	8,800	212,404	288,200
Connecticut General Insurance Corporation	45,000	1,534,625	1,586,250
Conoco, Inc.	80,000	2,396,416	3,580,000
Consolidated Foods Corporation	30,000	767,028	735,000
Data General Corporation	20,000	917,885	1,075,000
Dayton Hudson Corporation	10,000	356,501	437,500
Digital Equipment Corporation	10,000	466,200	676,250
Dravo Corporation	15,000	431,783	435,000
Duke Power Company	50,000	959,853	881,250
Eastman Kodak Company	6,000	770,745	288,750
Emerson Electric Company	40,000	1,431,858	1,295,000
Engelhard Minerals & Chemicals Corporation	20,000	616,763	1,007,500
Exxon Corporation	38,000	1,745,889	2,204,000
GATX Corporation	20,000	553,450	740,000
General Electric Company	10,000	533,400	461,250
General Motors Corporation	15,000	1,041,185	759,375
General Signal Corporation	22,000	565,491	814,000
Genuine Parts Company	30,000	722,100	746,250
Georgia Pacific Corporation	50,000	1,292,223	1,256,250
Gillette Company	20,000	594,895	500,000
Great Western Financial Corporation	30,000	730,000	701,250
Gulf Oil Corporation	15,000	495,339	525,000
Halliburton Company	32,500	1,930,111	2,571,563
Hospital Corporation of America	13,333	181,270	554,972
Houston Industries, Inc.	25,000	687,500	762,500
Hughes Tool Company	28,500	662,575	1,442,812
Hyster Company	15,000	395,625	637,500
International Business Machines Corporation	76,000	5,318,910	4,959,000
Johnson Controls, Inc.	8,268	106,404	235,638
K Mart Corporation	45,000	1,314,800	1,125,000
Kaneb Services, Inc.	45,000	705,357	950,625
Longs Drug Stores, Inc.	35,000	825,915	936,250
Lubrizol Corporation	20,000	934,944	1,090,000
Manufacturers Hanover Corporation	12,000	391,440	372,000
Mapco, Inc.	19,000	861,324	657,875
Marsh & McLennan, Inc.	10,000	575,852	700,000
Medtronic, Inc.	18,400	576,436	1,099,400
Mesa Petroleum Company	20,000	430,122	1,012,500
Mesa Royalty Trust	20,000	280,565	632,500
Metro-Goldwyn-Mayer, Inc.	31,800	697,000	560,475
Middle South Utilities, Inc.	80,000	1,326,650	1,080,000
Minnesota Mining and Manufacturing Company	100,000	3,482,810	4,962,500

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Missouri Pacific Corporation	\$ 20,000	\$ 921,475	\$ 982,500
Mobil Corporation	20,000	580,532	1,035,000
Monsanto Company	22,000	1,123,345	1,281,500
Philip Morris, Inc.	20,000	609,808	697,500
NLT Corporation	30,000	715,800	742,500
National Medical Care, Inc.	28,125	336,813	667,969
Northern States Power Company	20,000	516,175	470,000
Owens Corning Fiberglas Corporation	40,000	1,275,433	1,010,000
Parker Drilling Company	15,000	265,000	558,750
Peabody International Corporation	31,500	731,630	704,813
Perkin Elmer Corporation	30,000	833,533	1,087,500
Phillips Petroleum Company	101,000	2,666,125	4,797,500
Pillsbury Company	10,000	238,302	362,500
Pioneer Corporation	40,000	569,401	1,265,000
Pioneer Hi-Bred International, Inc.	18,000	400,348	445,500
Reynolds (R.J.) Industries, Inc.	30,000	1,486,286	1,995,000
Rowan Companies, Inc.	10,000	156,350	360,000
Santa Fe Industries, Inc.	17,000	803,200	924,375
Schlumberger, Inc.	15,000	181,931	1,440,000
Seagram Company, Ltd.	25,000	820,125	1,006,250
Sedco, Inc.	36,000	1,062,022	1,674,000
Simmonds Precision Products, Inc.	40,000	630,593	510,000
Smithkline Corporation	68,000	1,740,173	4,224,500
Southern California Edison Company	45,000	1,081,276	1,164,375
Southern Natural Resources, Inc.	20,000	495,315	1,032,500
Southland Coproration	26,855	659,250	728,429
Standard Oil Company (Indiana)	34,000	1,867,115	2,822,000
Sterling Drug, Inc.	25,000	414,250	484,375
Sundstrand Corporation	31,200	559,363	1,099,800
Super Valu Stores, Inc.	30,000	356,681	630,000
Superior Oil Company	15,000	631,930	1,878,750
TRW, Inc.	20,000	682,000	742,500
Tenneco, Inc.	25,000	774,404	993,750
Texas Eastern Corporation	15,000	597,850	920,625
Union Camp Corporation	25,000	1,123,361	1,103,125
Union Pacific Corporation	25,000	1,173,975	1,893,750
United Technologics Corporation	10,000	392,437	408,750
U.S. Home Cororation	35,000	453,612	498,750
Virginia Electric & Power Company	30,000	463,050	330,000
Wachovia Corporation	30,000	537,384	566,250
Walker (Hiram)-Gooderham & Worts, Ltd.	6,100	187,985	272,212
Warner Communications, Inc.	20,000	685,346	917,500
Washington National Corporation	12,200	303,725	317,200
Wells Fargo & Company	40,000	1,070,387	1,085,000
Whirlpool Corporation	40,000	1,003,450	760,000
Xerox Corporation	33,000	2,818,298	2,083,125
Total Common Stocks		94,766,387	118,661,660
Total Investments Held at November 30, 1979		<u>\$197,838,967</u>	<u>\$214,929,140</u>