



BUSH FOUNDATION 2012 Annual Report



Welcome to the Bush Foundation's 2012 annual report. This report gives just a small taste of the body of work carried out by the Bush Foundation in 2012. More, including stories about the work of our partners and grantees, can be found at BushFoundation.org/2012AR.

As we look at the Foundation's initiatives in 2012 and over the past few years, we are struck by the amount of experimentation and learning. We have sought out new and creative ways to invest in people who are leading change. We have supported communities working to tackle complex problems in innovative ways. We want this spirit of experimentation and learning to live on in the Foundation. We also want to build on what we have learned in ways that are concrete, transparent to the community and easily accessible to potential partners. Over the course of 2013, you can expect to hear more from us about how we are doing that and how you can be involved.

Thank you for your interest in the Foundation's work and for taking the time to read this report. If you have input or feedback about the report to share, we invite you to email us at communications@BushFoundation.org.

Sincerely,

Pamela Moret
Board Chair

Jennifer Ford Reedy
President

Sixty years ago, Archibald and Edyth Bush created the Bush Foundation.

Help us celebrate our anniversary by sharing your stories of how you or your community have been touched by their legacy.

Celebrating60Years@BushFoundation.org

2012: Our Year in Review

In 2012, the Bush Foundation invested over \$31.4 million to support leaders and improve community vitality across Minnesota, North Dakota, South Dakota and the 23 Native nations that share the same geography.

These investments took a variety of forms and focused on myriad issues, but all were aimed at ensuring that great ideas and the people who power them have opportunities to create positive change in communities.

On the next two pages you'll find a snapshot of some of the work the Foundation's resources supported in 2012; more details are available at **BushFoundation.org/2012AR**.





The Bush Foundation invests in the *development of emerging and proven leaders.*



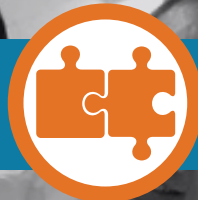
Investing in people has been a core part of the Bush Foundation since its earliest days. Our Bush Fellowship Program continues to be the heart of our leadership work. In 2012, we selected Bush Fellows working on issues as varied as organizing in the Minnesota Muslim community, understanding graffiti as a community art, addressing suicide clusters within Native communities and improving emergency preparedness.

Looking forward, we want to make leadership an even stronger focus of our work. We are exploring ways to be supportive to more emerging and proven leaders around the region, such as trainings, convenings and other possible grant and fellowship programs. One example is the Resident Fellows Program, a new fellowship currently in development through which a diverse group of emerging leaders will join our staff. Stay tuned for this and other programs to be launched later in 2013.

- 33** new **Bush Fellows**; 2,209 fellowships since 1965
- 25** **artists and community developers** trained as *Creative Community Leadership Institute fellows*
- 4** **Bush Fellows convenings** attended by 100+ across 3 states to *strengthen our network* of engaged community leaders



The Bush Foundation creates opportunities for *community-driven problem-solving.*



When we embarked on our current direction in 2008, one of our goals was to increase the percentage of people who believe their community is effective at problem-solving. Since then, we have experimented with a number of strategies toward this end—from meeting facilitation training to statewide engagement work on critical public policy issues. Some of these efforts have been under the name of the Bush Foundation, and some have been under the name InCommons.

At the end of 2012, we went through a review process with community stakeholders to determine what was working best and what had not worked as well as we hoped. In 2013 and beyond, we are building on what has worked best to make it even better. We will focus on supporting networking among leaders, building community problem-solving skills and making grants to support promising community efforts. To minimize confusion, we'll also bring all our efforts into the core of the Bush Foundation and will no longer use the InCommons brand.

- 480** people learned **community-focused facilitation skills** in 3 languages
- 52** **communities convened stakeholders** on *important local topics*
- 496** community **ideas and projects** gained public attention through our *challenge platform*



The Bush Foundation supports *Native nations* in their *self-determined nation-building strategies*.

Our support of self-determined nation-building strategies in the 23 Native nations in our region has received growing attention among tribal leaders. In 2012, we continued to offer tribes access to Governance Analysis for Native Nations (GANN), a self-administered process to analyze their current governance systems; provide technical assistance and grant support for nation-building strategies; and recruit and train Native Nation Rebuilders—emerging and existing leaders who play an important role in their nations' success. In 2012, we also supported major efforts by the Red Lake Nation and White Earth Nation to engage their citizens in constitutional reform.

As we move forward, we want to continue to be a resource for all 23 tribes, while we work more intensively with a smaller number of them that are ready to do major nation-building projects. We are also thinking about how to strengthen regional capacity to support nation-building efforts beyond the life of our current initiative.

\$1.9M supports tribes in major constitutional reform efforts

61 Native Nation Rebuilders since 2010; 8 serving in public office at a state or tribal level

288 attend 8 governance analysis (GANN) sessions with 11 Native nations since 2010



The Bush Foundation invests in *teacher effectiveness* in order to *increase educational achievement and close achievement gaps*.

Four years ago we launched a \$40 million initiative to transform teacher preparation in the region. The partnerships we've formed with 14 higher education institutions, collaborating as the Network for Excellence in Teaching (NExT), are starting to show some real results. Partners have redesigned their programs with more relevant and rigorous coursework, and have established new, mutually beneficial working relationships with K-12 school districts. For example, the University of South Dakota's expansion of its co-teaching approach to include full-year residencies has been such a success it was adopted statewide in 2012.

In 2013, we continue to be guided by our original goal—to increase the percentage of students who are on track to earn a degree after high school and eliminate disparities among diverse groups—as we consider new initiatives to build on and complement the work so far.

1,259 began teacher training with NExT partners in 2012; 3,925 future teachers currently in training

100% of South Dakota public universities agreed to implement a full-year teaching residency model piloted by USD

52 partnerships forged since 2011 between NExT institutions and K-12 school districts

2012 Financial Highlights

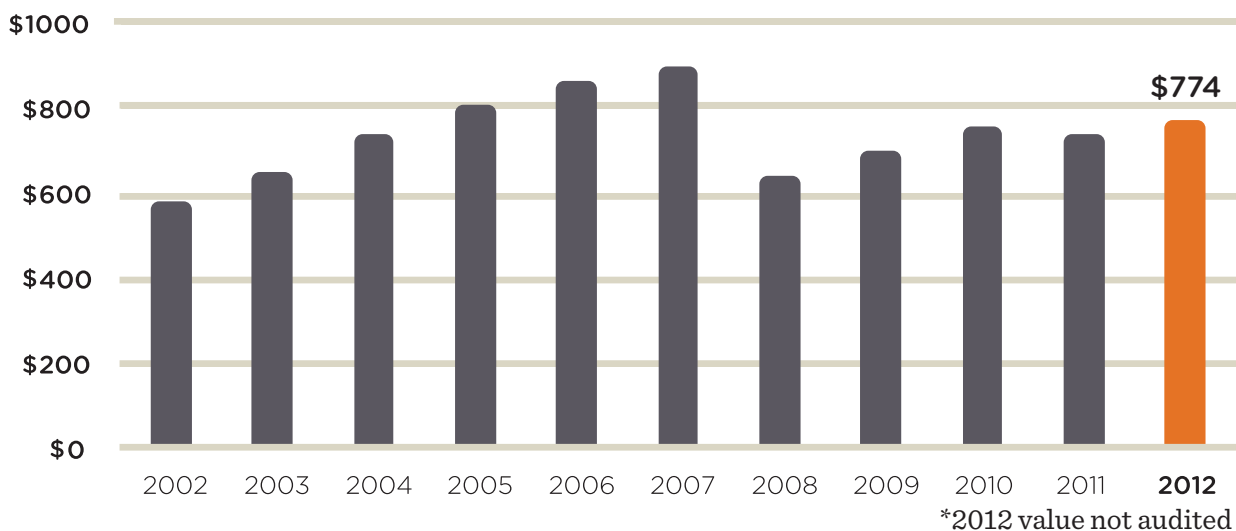
Investments – Global markets have been volatile over the recent few years, creating a challenging investment environment from which to extract consistent returns over time. The Foundation’s investment return in 2012 was 9.5 percent. The five- and 10-year investment returns were 1.7 percent and 8.3 percent, respectively. The Foundation’s long-term objective is to generate a real return in excess of the IRS minimum 5.0 percent payout. The Foundation has maintained sufficient investment liquidity to meet its operating needs.

Payout (or Qualifying Distributions, as defined by IRS) – The Foundation’s payout policy utilizes a multiyear smoothing formula that softens the impact of volatile markets in determining its annual payout targets. Payout for 2012 was \$31.4 million; target payout for 2013 is \$35.1 million.

For a full investment commentary, visit BushFoundation.org/Financials.

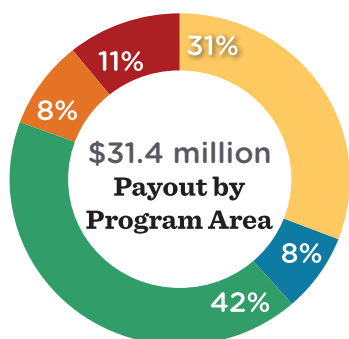
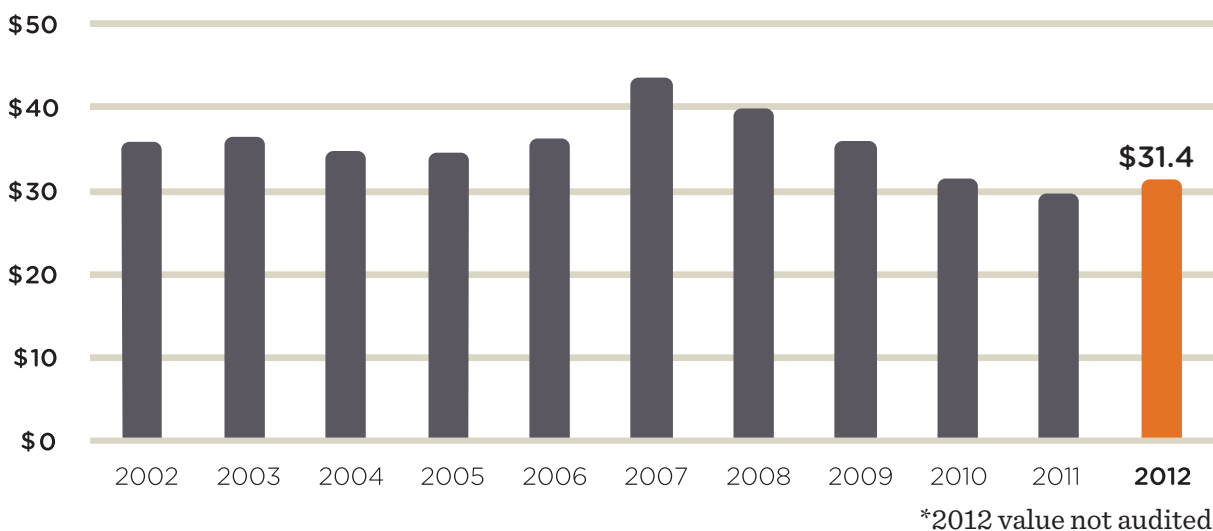
Investment Asset Values

2002-2012 in millions*



Annual Payout

2002-2012 in millions*



- Educational Achievement
- Native Nations
- Advancing Solutions*
- Legacy and Transition
- Administration

*This includes our work in leadership and community-driven problem-solving.

Bush Foundation Staff

as of December 31, 2012

Kari Amundson
Amy Anderson
Stephanie Andrews
Maggie Arzdorf-Schubbe*
Richard Bidmead
Justin Christy
Julie Cohen
C. Scott Cooper
Erin Dirksen
Mandy Ellerton
John Fetzer
Brian Fier
Shoshana Gurian-Sherman
Elli Haerter
Susan Heegaard
Yong Her
Sharon Hollingsworth
Catherine Jordan
Greg Keane
Kelly Kleppe
Martha Lee

Jane Leonard
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Molly Matheson Gruen
Catherine McGuire
June Noronha
Beth Norris
Deb Novak
Adaobi Okolue*
Rachel Orville*
John Otterlei
Jaime A. Pinkham
Jennifer Ford Reedy
Alice Sanborn
Connie Sangren
Victoria Tirrel
Beth Villaume
Kristi Ward
Nancy Weidler
Julie Wells
Ann Yelich*

* Consultant

Bush Foundation Board

as of December 31, 2012

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Robert J. Jones
Jan K. Malcolm
Tim Mathern
Wendy M. Nelson
Peter Pennekamp
Michael Solberg
Dee Thomas
Irving Weiser
Tracey Zephier

Non-Board Investment Committee Members

Timothy Clark
Gary Stern

2012 Bush Fellows

Zahra Aljabri
Katie Blanchard
Sunny Sinh Chanthanouvong
Shirley Chouinard
Carl Cowell
Raymond Dehn
Joel Donna
April Fairfield
Alika Galloway

Melissa Goodwin
Raymond Grey Bear
Ron Guggisberg
Lance Hegland
Beth Holger-Ambrose
Gayle Kocer
Victoria Krook
Janice LaFloe
Annette Lee

Carlos Mariani
Kenya McKnight
Kristine Miller
Brent Curtiss Olson
Peyton Scott Russell
Honor Schauland
Heather Simonich
Barbara Simpson Epps
Christine Sorensen

Read Sulik, M.D.
Pamela Teaney Thomas
Noreen Thomas
Kristi Townshend
Kalc Vang
Tene Wells

2012 Native Nation Rebuilders

Cohort 4

Natalie Bergquist, Lower Brule Sioux Tribe
Kim Clausen, Oglala Sioux Tribe
Grace Goldtooth-Campos, Lower Sioux Indian Community
Chris Hall, Crow Creek Sioux Tribe
Emily Iron Cloud-Koenen, Oglala Sioux Tribe
Chase Iron Eyes, Standing Rock Sioux Tribe

Melinda Iverson, White Earth Nation
Darrell Kingbird, Red Lake Nation
Jennifer Kolden, Mandan, Hidatsa, and Arikara Nation
Crystal Owen, Sisseton Wahpeton Oyate
Genevieve Smith, Mandan, Hidatsa, and Arikara Nation
Mary Waln, Rosebud Sioux Tribe

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