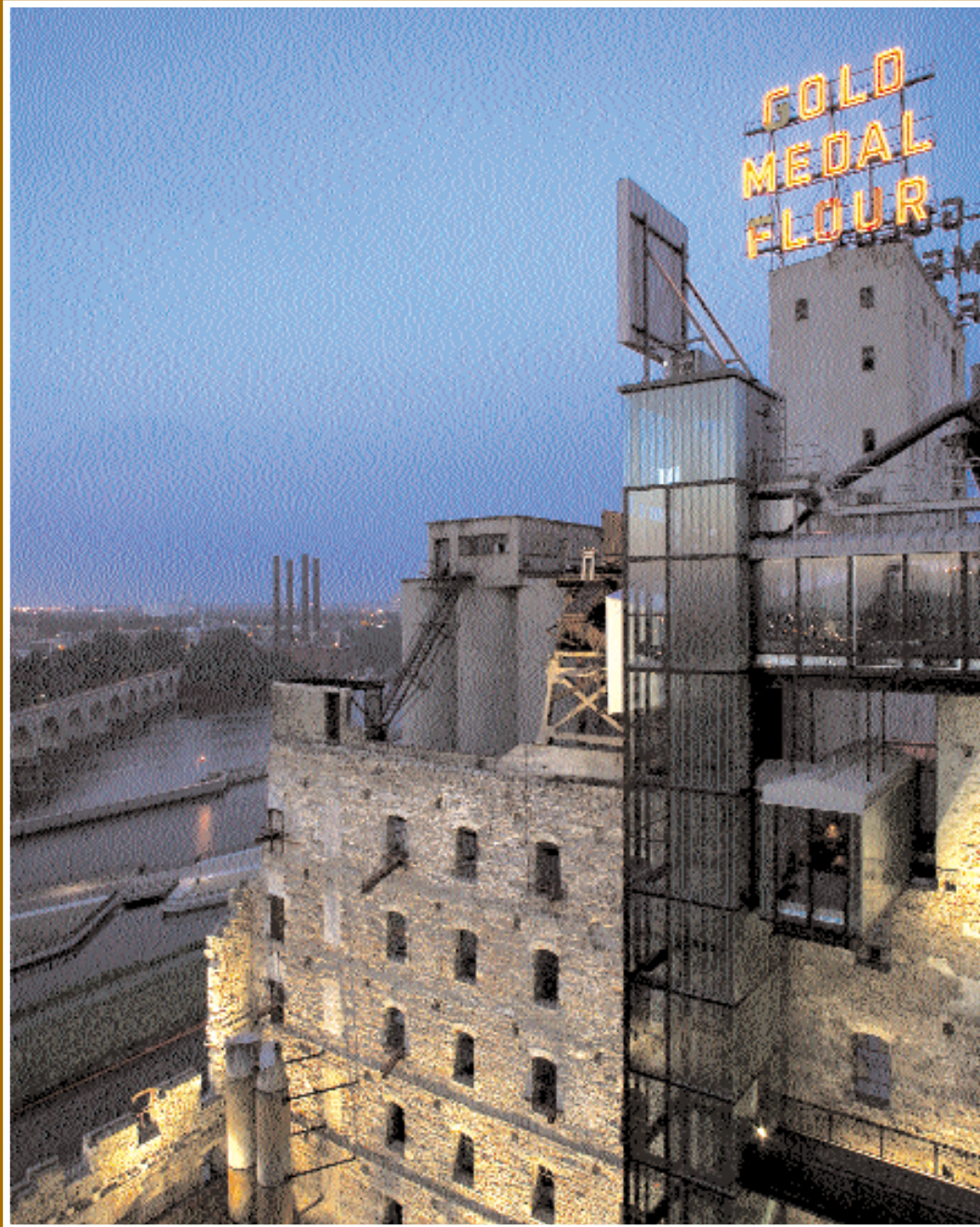


Bush Foundation

# Giving **STRENGTH**

*for Vibrant Communities and Vital Leadership*



Volume 1, Issue 2

May 2004

**IN THIS ISSUE OF** *Giving Strength*, we take an informal approach to providing you with information supplied in the past by our annual report. Inside you will find a review of our grantmaking and a summary of 2003 financial information, as well as comments from our grantees about the challenges and opportunities of 2003. Our financials and a complete listing of 2003 grants are available at [www.bushfoundation.org](http://www.bushfoundation.org); you can obtain a print version by calling (651) 227-0891.

This issue also highlights capital grants. The Bush Foundation believes that appropriate physical facilities can strengthen organizations and enable them to better serve their communities and has supported capital projects since it began in 1953.

In researching this issue, we talked to the leaders of five organizations in Minnesota and North and South Dakota who had recently received capital grants from the Foundation. Their personal stories are inspirational. We found they had encountered many of the same challenges and reaped similar benefits, even though their organizations differ greatly in size and location. We hope you will learn from their experience.

Finally, the issue offers advice about working with a consultant on a capital campaign and a report on ArtsLAB, an innovative pilot program for small arts organizations. For more information on the importance of capital and the Foundation's complete study of its human services capital grantmaking, visit [www.bushfoundation.org](http://www.bushfoundation.org) or call (651) 227-0891 to request a copy of *Building Stronger Organizations*.



A dramatic shot of the new Mill City Museum on the Mississippi River in Minneapolis occupies our cover spot. The Museum was constructed atop the granite ruins of the Pillsbury A Mill. It tells the story of flour milling and the role the industry played in early Minneapolis. This unique cultural site opened to crowds and applause in the fall of 2003. The project was partially funded by a Bush Foundation capital grant to the Minnesota Historical Society in 2000. For more information visit [www.millcitymuseum.org](http://www.millcitymuseum.org).

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## Bush Foundation

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If you have received duplicate copies of *Giving Strength* or would like to be added to our mailing list, please email us at [givingstrength@bushfoundation.org](mailto:givingstrength@bushfoundation.org) or call (651) 227-0891.

## Calendar

### April 2004

Bush Foundation Board of Directors retreat (13th)  
Leadership Fellows finalists' seminar  
Artist Fellows final panel meets

### May 2004

Medical Fellows finalists' seminar (7th-8th)  
Ecological health letters of inquiry deadline (15th)  
Artist and Leadership Fellows announced

### July 2004

Grant proposal deadline for November consideration (1st)  
Bush Foundation Board of Directors meets (14th)  
Medical Fellows announced

### August 2004

Ecological health letters of inquiry deadline (15th)\*  
Artist and Medical Fellows applications available  
Leadership and Artist Fellows information meetings begin

### September 2004

Leadership and Artists Fellows information meetings continue

### October 2004

Leadership and Artists Fellows applications due  
Medical Fellows alumni meeting

### November 2004

Grant proposal deadline for March consideration (1st)  
Bush Foundation Board of Directors meets (9th)

### December 2004

Ecological health letters of inquiry deadline (15th)

### February 2005

Leadership and Artist Fellows finalists selected

### March 2005

Grant proposal deadline for July consideration (1st)  
Medical Fellows applications due (1st)  
Bush Foundation Board of Directors meets (1st)  
Medical Fellows finalists selected

\* Effective August 2004 ecological health letters of inquiry will be due on the 15th of April, August and December.

### Bush Foundation Board of Directors

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Gordon M. Sprenger  
Kathryn H. Tunheim  
W. Richard West<sup>2</sup>  
Ann Wynia

*1 Term Begins May 1, 2004*

*2 Term Ended April 30, 2004*

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Heather O'Neill  
Kathi Polley  
Connie Sangren  
Connie S. Thompson  
Victoria Tirrel

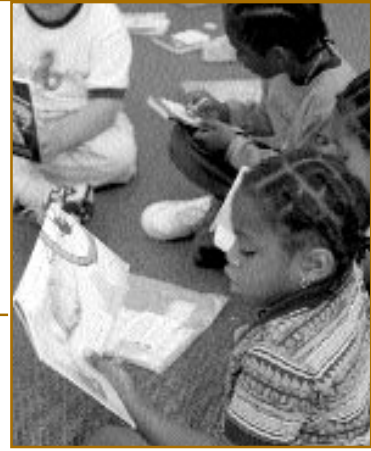
It's been said that foundations and their grantees trail economic trends by a few years. That certainly was the case with the Bush Foundation in 2003. The past year showed some economic progress on one hand and, on the other, the effects of the three-year economic downturn on our grantees. Despite the realities of an endowment that had decreased significantly since 2000, the Foundation still made grants that totaled \$26,416,378 to 155 organizations and awarded 49 fellowships to physicians, artists and leaders in 2003.

In a year that will be remembered for a tough job market and the effects of job loss over the past few years, we were inspired by arts organizations, educational institutions and nonprofit agencies that regrouped, took on new challenges and even prospered in a changed environment. Some persevered to complete capital campaigns begun in better times, some merged with similar or complimentary partners and some went back to their roots—rediscovering the strengths that forged them in the first place.

We celebrated and cut budgets in our 50th year, but we also turned a corner in both the financial and programmatic sense. Our endowment began an upward climb by mid-year. Guided by our strategic plan, all of our grantmaking programs continued unabated, if more intentional.

The environment for organizations in our grantmaking areas reflected the vagaries of the economy and the political situation. Here are a few examples.





**Arts and Humanities**

Many arts organizations reported diminished audiences, which they attributed to fears of terrorism, declining economic conditions and competition for the “entertainment dollar.” Endowments declined, leaving less money available to shore up operating budgets. We saw organizations decide to close their doors, some voluntarily (Dale Warland Singers) and others involuntarily. Several organizations received grants to upgrade their fundraising capacity, their marketing capability and their websites in order to maintain their visibility and audiences.

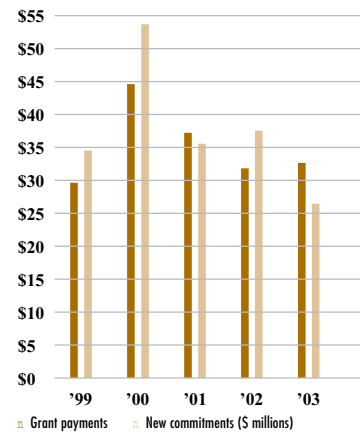
**Education**

Education programs, from early childhood to colleges and universities, likewise took on the challenge of doing more with less, yet responding to their specific student bodies. We made grants to Achievement Plus in Saint Paul and to high school completion programs in Rapid City and Todd County, South Dakota, to ensure that schools had the tools to educate their current students. In our faculty development work, we noted that several college-level institutions used Bush Foundation grants to implement or assess core curricula, while others adapted teaching methods to today’s more diverse student bodies.

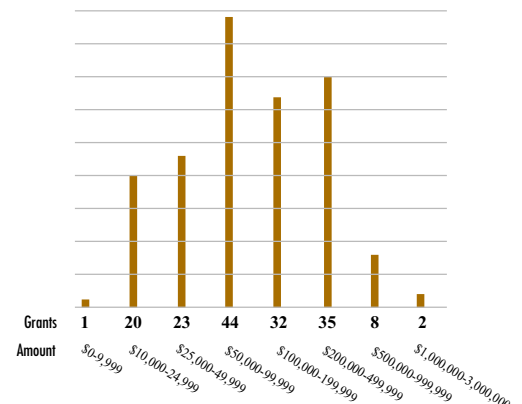
**Health**

Health proposals to the Foundation reflected other signs of the times: the stresses of unemployment and the need for health services to particular cultural groups. We made grants to a program dealing with mental health needs of displaced workers (Range Mental Health Center) and to several others for culturally appropriate health care services (Children’s Dental Services for Somali children; Minnkota Health’s project for gay, lesbian, bisexual or transgender youth; and the Midwest American Indian Center for mental health services).

**GRANT PAYMENTS AND NEW COMMITMENTS**



**GRANTS CLASSIFIED BY AMOUNT**



Photographs courtesy of Achievement Plus

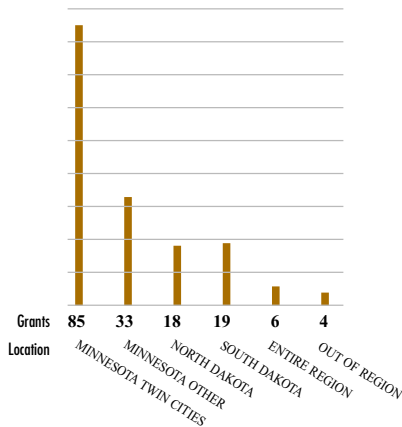
*“Guided by our strategic plan, all of our grantmaking programs continued unabated, if more intentional.”*

Anita M. Pampusch, President, Bush Foundation

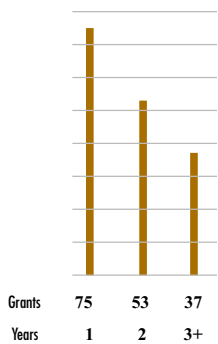
**Human Services**

City, county, state and federal budget cuts hit human service agencies hard. We funded several proposals for organizations to merge (Merriam Park Community Services), to set new priorities for their services in light of diminished resources, to begin pilot programs to test new services (Supportive Housing and Managed Care Pilot) and to fill cultural gaps (Sudanese, Oromo, Hmong and Somali organizations came in with cultural programs). A large number of proposals addressed domestic abuse and assault issues—a phenomenon often intensified in periods of low employment and hopelessness—and requested funds for employment programs for hard-to-employ individuals.

**GRANTS CLASSIFIED BY GEOGRAPHIC AREA**



**GRANTS CLASSIFIED BY DURATION**



*Photograph courtesy of Children’s Dental Services, Inc.*

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### *Ecological Health*

We noted several trends this year, including developing new, clean energy resources (Dakota Resource Council), promoting farming practices that test alternatives to pesticides and avoid polluting runoff (Blue Earth River Basin Initiative) and advocating for environmental health and social justice (Headwaters Fund).

### *Other*

Some grants don't fit neatly into other categories but still advance the Foundation's priorities. We provided funds, for example, to Friends of the St. Paul Farmers' Market for a project that increases the number of growers and expands a market for fresh, locally grown fruits, flowers and vegetables; to Minnesota Public Radio and Twin Cities Public Television, both of which contribute to the cultural richness of our communities; and to the West Side Citizens Organization for the Jane Addams School for Democracy, which develops citizenship skills among new Americans.

It is not surprising that our grant requests reflected the circumstances of 2003. What is more important to note, however, is the resilience of these nonprofit organizations. The fine leadership of their presidents and executive directors in this past year has steered them through challenging times so they may continue to enrich the lives of their communities.



Anita M. Pampusch  
President



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*Photographer: David Sherman*



## Financial Summary

November 30, 2003

<b>Financial Highlights</b> (In thousands of dollars)	<b>2003</b>	<b>2002</b>
<b>Assets</b>		
Cash and Investments	\$ 649,236	\$ 606,400
Other	1,357	2,248
<b>Total</b>	<b>650,593</b>	<b>608,648</b>
<b>Liabilities and Net Assets</b>		
Liabilities	31,911	35,381
Unrestricted Net Assets	618,682	573,267
<b>Total</b>	<b>650,593</b>	<b>608,648</b>
<b>Revenue</b>		
Investment Income	13,693	16,173
Net Realized Losses on Investments	(16,082)	(61,120)
Unrealized Appreciation in Fair Value of Investments	83,238	(14,129)
<b>Total</b>	<b>80,849</b>	<b>(59,076)</b>
<b>Expenses</b>		
Program	28,455	36,482
Management and General	6,978	7,213
<b>Total</b>	<b>35,433</b>	<b>43,695</b>
<b>Change in Unrestricted Net Assets</b>	<b>\$ 45,415</b>	<b>\$ (102,771)</b>



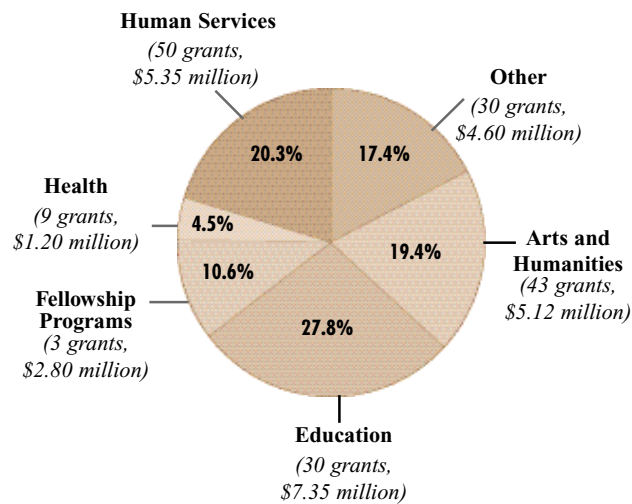
The Foundation's portfolio ended the year positively after enduring the financial markets' volatility during 2003. The fair value of the Foundation's investment portfolio declined steadily through the first quarter and then maintained itself for the next six months before significantly rebounding in the final quarter. Total assets of the Foundation reached \$651 million at November 30, 2003, compared to \$609 million for the prior fiscal year. The annualized total investment return for 2003 was 20.1% on a calendar basis. This was a substantial improvement over the prior three years, when the portfolio produced negative returns each year.

Our long-term investment objective is to achieve a rate of growth sufficient to allow the Foundation to meet its granting requirements (5% of average annual assets) and cover reasonable operating expenses while maintaining the inflation-adjusted principal of the fund. Investment income for the year, which includes interest, dividends and other income, was \$13.7 million as compared to last year's income of \$16.2 million. Investment and administrative expenses were \$7 million, a decrease from the prior year's expenses of \$7.2 million.

We anticipate that, over time, economic market conditions will continue producing positive investment returns that will more closely mirror long-term historical norms. This will ease our ability to meet the Foundation's granting requirements and cover its operating expenses. Going forward, we will continue to explore potential avenues of enhancing return without exposing the portfolio to excessive risk and to monitor our operations so that we generate a positive outcome for the Foundation and the region it serves.

*Connie Thompson*

Connie Thompson  
Chief Financial Officer



## Profiles of 2003 Bush Foundation grantees

### *...Moving forward*

Ask just about any nonprofit leader to summarize 2003 and the topic usually turns to the sluggish economy. Choked fundraising frustrations. State budget cuts. Layoffs. Flagging staff and board morale.

Some days, the challenges seemed to rival the mission for your attention.

No matter how you steered through 2003 and how you ended up, you're anxious about 2004. Can you keep your mission intact? Can you accomplish critical objectives? Are you on the right track?

On the next few pages we profile five nonprofit organizations that received Bush Foundation grants in 2003. Each represents a distinct sector of our regional nonprofit community. They all shared the turmoil caused by the reduction or loss of conventional funding sources. But, as we discovered in these interviews, they all shared another, more positive ingredient—the leadership of each was motivated to think around the challenges, put aside the anxiety and grab new ideas that could help them cut costs, increase productivity or discover new income sources.

We hope some of the ideas these leaders shared resonate with you and the nonprofit you represent.

*“The significant problems we face cannot be solved at the same level of thinking we were at when we created them.”*

Albert Einstein



Kristine Jacobs

## Profile

The JOBS NOW Coalition helps policymakers, civic leaders and social service organizations understand economic issues that can support or inhibit every working family's ability to be self sufficient. It is known throughout the country for its comprehensive research on the cost of living and for findings that illustrate gaps between wages and need. In Minnesota, social service organizations value the Coalition's resources that monitor economic conditions, interpret trends and educate organizations about how to make strategic decisions that better serve their own constituents. The Coalition, now 20 years old, includes 110 organizations that work to improve the quality of life of Minnesota's 2.7 million employees.

### 2003-2004 pitfalls

- Rising number of workers who are not able to provide independence and meet adequate living standards for their families
- Increased number of workers who have to settle for jobs that pay below a family-supporting wage
- Increasing number of policymakers reluctant to support "minimum wage" and other cost-of-living policies

### Major challenges addressed in 2003 and inspired solutions

*Long-term organizational commitment plus a contract with a software vendor to launch the first iteration of the online "Family Wage and Budget Calculator" coincided with organization's 20th anniversary and the publication of the third edition of its model publication, The Cost of Living in Minnesota*

Early in the year, the staff and board faced the fact that they would need to raise 2.5 times their normal contributions. There were a number of reasons to move ahead with all three projects, not the least of which was the morale and expectations of its members. Nevertheless, the fundraising focus yielded a number of new contributors, all of which resulted from the Coalition's long-term credibility for excellent work; JOBS NOW met its high-stakes goal.

## JOBS NOW Coalition

**Contact:** Kristine Jacobs, Executive Director,  
kjacobs@jobsnowcoalition.org

**Website:** www.jobsnowcoalition.org

**Location:** Saint Paul, Minnesota

**Mission:** The JOBS NOW Coalition is committed to the idea that all Minnesota workers will have the opportunity to earn a family-supporting wage.

*Low member morale as social service organizations felt "brutalized" by the legislative session*

The organization turned the 20th anniversary recognition into a special celebration of a few successes.

### Working philosophy

- Create a work plan, and then manage it so that your organization can stay focused on the important issues. A sign in Kristine Jacobs' office reads: "Anticipate. Never panic. Stay focused." She says, "These words don't represent a slogan. It's the way we operate around here."
- Be open to risks, but be certain they're calculated risks that meet the expectations of your mission and that you can manage with your resources.
- Make where your staff works together into a comfortable place to be.
- Pay your staff well; your employees are your biggest asset.
- Get outside specialized help and pay them by the hour. ("Good contractors are worth every penny," says Jacobs.)
- Run your organization as if it were a business.

## Profile

The Organizing Apprenticeship Project (OAP) helps adults and young people in culturally diverse communities learn grassroots organizing skills. Through training and active mentoring, OAP pays selected “apprentices” a stipend while they discover what it takes to build and manage volunteer organizations. It also offers training and refresher courses for nonprofit leaders and their volunteers in a wide variety of valuable activist groups, including women’s organizations, farm workers, immigration assistance and youth organizations. Since 1993, when it was founded, OAP has recruited, hired, placed and trained more than 76 organization apprentices and has provided intensive refresher training to more than 65 organizers and basic training to nearly 2,000 volunteers.

### 2003-2004 pitfalls

- The economy’s serious effect on the communities OAP serves
- Cultures and communities that do not understand, or want to understand, conventional methods of organizing or leadership
- Pressing needs by many groups, communities or cultures to have their voices heard

### Major challenges addressed in 2003 and inspired solutions

#### *Overhead expenses too high for income*

OAP collaborated with two other nonprofit organizations that serve many of the same communities by sharing office space, rent, a copier, operating expenses and, as important, ideas.

## Organizing Apprenticeship Project

**Contact:** Beth Newkirk, Executive Director,  
newkirk@oaproject.org

**Website:** www.oaproject.org

**Location:** Seward neighborhood, Minneapolis,  
Minnesota

**Mission:** OAP’s mission is to increase the number, skills and diversity of trained community organizers in Minnesota.

### *Mission creep (stressed by the slow economy)*

The staff is dedicated to OAP’s mission but feels it is easy to get sidetracked onto other community problems such as housing problems and job losses experienced by the communities they serve. It’s currently developing a systematic review and accountability process to ensure that they remain focused on the programs and outreach that can ensure the entire staff is serving the letter and spirit of the mission. The important concept here, says Newkirk, is “systematic accountability” because given the economic assaults on many communities, it could be simple to get pulled off course.

### *Difficult to place OAP apprentices and graduates because so many nonprofits are reducing staff*

It built a “working” board that fully understands the complexities of the current job market and is helping the staff address this issue.

### Working philosophy

- Fully understand the mission; stay on track.
- Be tuned to changes and willing to reshape the organization’s approach. “Don’t confuse the road you take with the destination you must achieve,” Newkirk says.
- Collaborate and exchange information as well as ideas.
- Never hide your challenges, missteps or problems from your board. They’ve got to be with you.



Mark Trechock

## Profile

The Dakota Resource Council helps North Dakota's citizens protect their state's land, air, water, rural communities and agricultural economy. Through grassroots advocacy, ongoing communication, training and education, the Council encourages citizens to influence policies that will protect their lives today and the lives of the generations that follow. Working singularly on behalf of North Dakota or in innovative affiliations with other similarly focused organizations in surrounding states, the Council has a remarkable track record of policy achievements, one of which is to support the growth of wind energy.

### 2003-2004 pitfalls

- Declining number of residents in the state, especially young people (i.e., the average age of farmers is 60)
- Increasing number of critical issues, frequently developing more quickly than the Council can muster resources to face them
- A political climate that frequently values large corporate interests over other voices

### Major challenges addressed in 2003 and inspired solutions

*Fall-off of individual funding as many North Dakotans moved to other states*

The Council formed coalitions with other state organizations and together investigated new sources of funding (Trechock actually reports a more solid financial position this year than last).

*Rapid and unexpected discovery of new environmental/agricultural issues that significantly taxed the Council's staff and dollar resources*

It yoked North Dakota's concerns with citizen advocacy organizations in surrounding states to explore funding resources as a larger influential group.

*Loss of the rural population base that has been the major source of funding and interest since the Council's inception*

The organization opened ancillary offices in Bismarck and Fargo to allow urban populations to discover the Council's advocacy assistance resources and began to court additional funders in these urban areas.

*Members asking to play a role beyond writing a check*

The Council provided training to members and encouraged citizens to speak out.

### Working philosophy

- Communicate information about issues regularly and frequently, providing language that can be used by citizens in their own communications. (Trechock accompanies citizens to legislative hearings but coaches them to speak on the issues themselves.)
- Be utterly honest with staff members about the pros and cons of organizational decisions. Include them in strategic as well as tactical decisions. (Trechock invites staff members to board meetings, as well.)
- Eliminate fear of failure for the staff. Give them flexibility to make decisions and support those decisions no matter how they turn out.

## Dakota Resource Council

**Contact:** Mark Trechock, Executive Director,  
mtrechock@pop.ctctel.com

**Website:** [www.drcinfo.com](http://www.drcinfo.com)

**Location:** Dickinson, North Dakota

**Mission:** Form enduring, democratic local groups that empower people to influence decision-making processes that affect their lives.

## Profile

The University of Mary is a 44-year-old educational institution in Bismarck, North Dakota. It has grown from a small two-year college providing liberal arts, nursing and education programs for women to a coeducational four-year institution that offers baccalaureate and master's programs in professional fields. With 2,500 students, including adults and those enrolling on auxiliary campuses in Fargo and the Fort Berthold Indian Reservation, the University has continually upgraded the learning environments. Most recently, it introduced the Harold Schafer Leadership Center. Its "Growth through Change and Commitment Campaign" targets development of the learning environment in the expectation that every student will enjoy leadership development experiences.

### 2003-2004 pitfalls

- Financial support base was not adequate for strategic growth and development expectations
- North Dakota demographics are changing dramatically, resulting in a shriveling recruitment base (i.e., high school graduates tend to move out of town and many small communities are being lost due to economic and social pressures)

### Major challenges addressed in 2003 and inspired solutions

*Financial support dwindling now and future prospects not as bright as they should be*

The University expanded the Board of Trustees to gain additional connections and new ideas.

*Student retention rates too low*

It developed an aggressive program, called the "student leader" program, that ensures that every student gains meaningful leadership experiences in his or her freshman year.

## The University of Mary

**Contact:** Sister Thomas Welder, President

**Website:** [www.umary.edu](http://www.umary.edu)

**Location:** Bismarck, North Dakota

**Mission:** The University of Mary exists to serve the religious, academic and cultural needs of people in this region. It takes its tone from the commitment of the Sisters of Annunciation Monastery, which founded the institution in 1959 and continues to sponsor it today. It is Christian, it is Catholic and it is Benedictine.

### *Student enrollment potential a concern*

Working closely with the North Dakota Department of Commerce, the University of Mary developed and leads the student component of the North Dakota Ambassador Program. Additionally, the University has expanded its student base to include adults and nursing students who are interested in receiving classes online.

### Working philosophy

- Differentiate your organization.
- Always look for ways to provide value.
- Be flexible; address challenges with new ideas that open new doors.



*Sister Thomas Welder*



*“One of our biggest assets is the passion our members feel about this organization and the work we do together. Without that passion, we wouldn’t have been able to meet our fundraising goals.”*

Margaret Miller, Executive Director, Textile Center of Minnesota

Margaret Miller

## Profile

People who love creating art from fibers—fabric, threads, waxed linens, cottons, yarns, papers and many others—seem to flock to the Textile Center of Minnesota. Its sunlit spaces encompass classrooms, a shop and galleries, plus an auditorium where every fiber art is taught and appreciated. The Center describes itself as a coalition of 36 fiber art organizations. It’s more than that, however. It’s also a community of people who are passionate about learning, refining and passing on age-old traditions that once were taught only for home use and now represent a valued art form. Organized in 1994, it has grown to be nationally recognized.

### 2003-2004 pitfalls

- The pressure to grow coincided with the changing condition of the economy
- By buying a building, adding a library and retail shop plus significantly increasing the classes it could offer, the learning curve grew very steep; catching up took tremendous focus

### Major challenges addressed in 2003 and inspired solutions

*The funding capabilities of a number of foundations diminished; capital campaign goal began to look impossible to reach*

The Center turned to individual members as never before, using a wide variety of “ask” approaches including person-to-person and direct mail, plus an event. “Grassroots response,” says Miller, “was tremendous. Literally half of the fundraising results came from members.” (One of the best tools, as it turned out, was a last-minute email request. Members not only responded but forwarded it; pledges came from all over the country.)

*Growth was much faster and more expensive than the founding group had expected*

Volunteer committees, each chaired by a board member, sprang into action. With the tremendous pressure of

knowing that the financial health of the organization rested on their ability to build in some income sources, one put together an enormous library of fiber art books and another organized the Center’s retail shop.

*There was active concern about building “tomorrow’s” members*

The Center introduced the Textile Mobile, a brightly colored van that visits schools, community centers and organizations serving young people. Artists ride along, demonstrating fiber arts and helping the children experience weaving, spinning and quilting. Additionally, the Center has added more “young person-oriented” programs to its curricula.

### Working philosophy

- Resist the urge to get pulled into projects that don’t fit the mission or support themselves; carefully assess every idea against those criteria.
- Develop income sources outside of fundraising.
- Build sound coalitions that extend fundraising reach, resources and reputation.
- Concentrate on building tomorrow’s audiences.
- Value your volunteers; give them meaningful things to do, training and recognition.

## Textile Center of Minnesota

**Contact:** Margaret Miller, Executive Director, [mmiller@textilecentermn.org](mailto:mmiller@textilecentermn.org)

**Website:** [www.textilecentermn.org](http://www.textilecentermn.org)

**Location:** Minneapolis, Minnesota

**Mission:** Dedicated to promoting excellence in fiber arts and preserving textile traditions.

## Leadership, persistence and planning can lead to transformations

### Courageous Capital Campaigners



**Patrick Petermann**, Executive Director **Home on the Range**, a residential treatment facility in Sentinel Butte, North Dakota, for troubled adolescents situated on a working ranch that serves 59 boys and 20 girls

**Bush Foundation grant:** \$240,000 in 2003 toward a campaign to build a new girls' dormitory and other program space; construction commenced April 2004



**Susan Fedell**, Executive Director **Youth and Family Services, Inc.**, a center that provides developmentally appropriate, culturally competent, researched-based programming for 10,000 young people and families each year in Rapid City and other South Dakota locations

**Bush Foundation grant:** \$780,000 in 2002 toward construction of a new building that opened June 2003

By Mary Bensman

### The power of a capital grant

Patrick Petermann, executive director of Home on the Range, describes it like this: “When I opened the letter about the grant for our capital campaign, I yelled so loud that the staff came running to see if I was all right. What difference did it make? It put new life into me and the organization. It rejuvenated the staff. The goal didn’t seem so far away.”

Not all capital grants are greeted with that kind of high drama, yet grants that help organizations physically expand, improve or relocate their facilities often have a way of dramatically improving more than bricks and mortar. The Bush Foundation believes good facilities are critical to strengthening organizations and enabling them to better serve their communities. Findings from a 2002 report commissioned by the Bush Foundation, *Building Stronger Organizations: The Impact of Capital Projects—Lessons for Human Services Agencies and Their Funders*, identified a number of other positive outcomes of capital campaigns, including increased organizational effectiveness, better staff morale, new relationships with other organizations, more financial stability, satisfied clients and improved local economies.

While every capital campaign has a unique story, there are common threads that weave through each experience. The individuals and organizations featured in this article are wonderful examples of the power of leadership and planning. They were all faced with challenges, but each had a strong vision of what their future should look like and



*“I knew very little about capital campaigns, but I learned how to do a campaign that would work for us, although I don’t know why it worked. I thought I would have more help, but it became my project. It seemed like it took a long time, but others will comment that we accomplished a lot in a short period of time...only a few years, really.”*

Joyce Newton, Executive Director, REACH

the energy and persistence to get there. These organizations experienced transformations that went well beyond a new building.

The people who led the campaigns described in this article are first timers. Few had any special training, and all did this in addition to their regular jobs. In some cases, they talked about their capital campaigns as adventures into the unknown, true life-changing, all-consuming learning experiences that seemed to last forever but were worth it in the end. Some would even do it again. All of them learned new skills and experienced personal growth as a result of the campaign. None of them did it alone.

These are their stories.

### **Making the decision to grow**

Capital campaigns often become necessary when mission and vision outgrow the facilities.

“We had reached the point (in 1999) where we couldn’t squeeze any more kids into the building” said Susan Fedell, executive director of Youth and Family Services, Inc. “The children weren’t coming back to the programs because the classrooms were uncomfortably crowded and noisy. I sat down with the Board and considered the question of whether we would stay small and limit the children we could serve or build a larger building. We all realized that it would be a great struggle; there were limited resources for capital in Rapid City, and two local campaigns had tried it that year and did not make it. I was one of the people who said ‘we have to do this,’ then I would lie awake at night and wonder if I was steering people down the wrong path.”

Joyce Newton, executive director of REACH, Inc., faced a similar crisis. “We only had three rooms in a building that was owned by a veterinarian. We shared it with the animal hospital. We only had two computers and four staff members. We made the hallway into the waiting room; we used the vet’s

office for the food shelf. It was very crowded, and we didn’t feel that the clients got confidential treatment.

We outgrew ourselves, and then the owner wanted to sell the building. Doing something about the space was on the Board’s plan for a number of years, but now it was urgent. We weren’t sure that a new owner would be as accommodating. We looked at other property but decided that purchasing and renovating this building was the best option and would be supported by the community.”

### **New facilities result in bigger dreams**

Sometimes planning a new facility can result in new directions and possibilities for an organization.

“We needed more space, and at first we thought we would just expand into an adjacent classroom,” said Maggie Montgomery, general manager of Northern Community Radio. KAXE-FM has been renting

**Maggie Montgomery**, General Manager  
**Northern Community Radio**, operating  
KAXE-FM, a public radio station serving  
northeastern and north central Minnesota from  
its studios in Grand Rapids

**Bush Foundation grant:** \$92,000 in 2003  
toward a capital campaign to build a new radio  
station; construction commenced spring 2004



space from Itasca Community College in Grand Rapids, Minnesota, since it was founded in 1976. “The school had been looking greedily at our space for 28 years, and when they got a grant for a new engineering building, our plans had to change.

“For us in the nonprofit area, we didn’t have a clue about what we were getting into and learned as we went. One of our members, an engineer, said we should build on the river. We hadn’t even thought of it. We were looking for another site on campus. When you begin something like this, it challenges your identity. You begin to see what people think of you. We began with the idea we were going to expand into a classroom and ended up with a new building on the riverfront with an amphitheater.

“Our original dreams might have been okay, but they were still too small. We found it was important not to just focus on making do, but thinking about what we really need. It was cool how the whole thing developed. I wanted to quit twice, but it was worth it to start over with a new idea—better for the long-term goal.”

In Rochester, Minnesota, when the city received a grant to expand the Mayo Civic Center, its neighbor, the Rochester Art Center, had to relocate. It had been in the same location since 1956. B.J. Shigaki, who has been the executive director for the past 34 years, said, “All of us were surprised. Even though we had been planning to expand our facility, it all happened so quickly. We hadn’t been thinking about an entirely new building. But the city gave us a new city site and \$3.1 million toward a new building. They also promised to continue to provide money for grounds keeping and maintenance. So we looked at it as an opportunity that would allow us to do things we couldn’t in the space we had.

“The timing was good. It was 1999, and everything seemed possible. But it was like a journey—you can lay out all the ideas of what might happen, but you need to stay flexible,” Shigaki said.

### Wide open spaces—few funders

There are special challenges for those who head capital campaigns in rural areas.

“We had hired a consultant to help us establish our own foundation. After an initial assessment, he suggested we should do a capital campaign for a new dormitory instead,” said Petermann. “The girls’ dormitory was a duplex built to house staff in the 1970s...three bathrooms for 20 girls. There was no space for staff. Ten people were sharing an office as well as using it as a therapy room.

“The campaign has been challenging. Because of our inexperience, it was hard getting going at first. It’s frustrating when things slow down after you’ve gone after individual donors a few times with no results. I thought it would only take a year, and it’s been three now. I know there are dollars out there, but it’s tough to know how to hit the right people at the right time. North Dakota community foundations have rejected us because many of them only make grants in their own cities, even though we serve children from those communities. Our location is so isolated, there’s not a lot of wealth in a ranching and farming community like Beach (pop. 1,000). But there is lots of support and in-kind help. The county and the city have both made pledges, and the employee fund drive netted \$25,000 from our 90 employees, \$10,000 over our goal,” Petermann said.

“Some days we get \$20 in the mail and some days \$5,000. But we recently got a big bequest and will be able to reach our \$1.6 million goal and break ground in April,” Petermann said.

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## Transformation—expected and otherwise

The 75 kids from Home on the Range account for nearly 30 percent of Beach High School's students. Its 90 employees live and do business in the area. Even though Interstate 94 goes through the town, there's nothing much else there. But Petermann said the kids and the staff will feel the major impacts when the new facility opens.

"The girls will have their own space. They won't have to share a dining hall and gym with the boys. The staff will have room to do their work. I believe it will have a transformational effect on the whole organization. All of the other buildings are more than 40 years old."

Fedell would agree with Petermann about the transformation. When Youth and Family Service's new building opened in June 2003, "the kids were so thrilled. All of the staff noticed that the kids were calmer; there was lots of sunlight, the discipline problems dropped to nothing. The staff was happier; we were able to attract and retain high-quality people—20 new employees. The girls gave tours to the community, and the community could see their excitement. We serve more children—173 more per day. Our annual fund drive has gone up from \$11,000 a year to \$38,000 in 2003. We have 200 new donors. The new relationships we made have paid off. The community uses the gym and meeting rooms on nights and weekends, and the neighbors are thrilled that the new building has chased the drug dealers out of the neighborhood.

"Expansion of services has also made it possible for parents to stay in jobs, knowing their children are safe. Our fees have stayed low as well, and we have added infant/toddler care," Fedell said.

At REACH, according to Newton, both staff and patients feel more comfortable in the renovated building that opened in 2003. "Each staff member

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## More Courageous Capital Campaigners

**Joyce Newton**, Executive Director

**Rural Enrichment and Counseling Headquarters, Inc. (REACH)**, a Hawley, Minnesota, comprehensive human services provider serving people throughout a largely rural area



**Bush Foundation grant:** \$36,000 in 2002 toward a capital campaign to purchase and renovate a building in Hawley; renovation completed in 2003



**B.J. Shigaki**, Executive Director

**Rochester Art Center**, the largest and longest-standing visual arts organization in southeastern Minnesota



**Bush Foundation grant:** \$500,000 in 2001 toward construction of a new building that opened April 2004

has their own computer, their own desk; they are more efficient. And the patients know they will be counseled in the same place every time. There's a playroom too. The campaign brought greater awareness—increases in referrals. The community feels good about the place, and they're glad that it's in their town. The volunteer base jumped from 150 before the campaign to 264 afterward because the local people feel ownership. We now operate four businesses in this community that are employing people. We can also support several other organizations, including the Thrift Store, that bring more people into town. We don't pay taxes but put money into the community in other ways."

### Redefining the future and themselves

Maggie Montgomery is certain that KAXE-FM's move to the riverfront will unleash the potential for better, more reliable programming for the community. "We've had 28 years of bad wiring. People are worried that it will change us, but it will improve our programming and eliminate technical problems. KAXE will share the new location with new businesses, renovated housing, an amphitheater, a park, a library and the Blandin Foundation's new headquarters. The city has a

pretty plan for the river. It will be the centerpiece of our community and a focal point for the symbolic character of the broadcasting we do—a gathering place."

Montgomery added, "In the process of raising money, we raised awareness. People thought we were a college radio station; they now see us as more independent. We have new partners, lots of community people involved in our committees and business underwriting has increased 20 percent. We're working on making it a happening thing." The station broke ground this spring and will complete the building by January 2005.

Shigaki credits the development of a good strategic plan with helping them turn dreams into reality for the Rochester Art Center. "The strategic business plan was the most helpful part of the process," she said. "It makes you sit down and figure out how it's all going to work. It helps you avoid mistakes."

The new facility nearly quadruples the size of exhibit space and education space. The staff will grow from 12 to 19, and new staff members have already brought with them a higher level of professionalism in the arts world. "The Board is changing too, becoming much more aware of their role and the need for expertise," Shigaki said. "The new location is in the heart of the downtown area, on the main street and linked to the new civic center by skyway. We are much more visible." The Center will open the weekend of May 7-9. b

*Some of the material in this article came from the publication Building Stronger Organizations: The Impact of Capital Projects—Lessons for Human Service Agencies and Their Funders. It was prepared for the Bush Foundation by Susan Showalter and Vicki Itzkowitz. Copies are available at [www.bushfoundation.org](http://www.bushfoundation.org) or by calling the Bush Foundation at (651) 227-0891.*



*Photographs courtesy of Rochester Arts Center*

*“Our original dreams might have been okay, but they were still too small. We found it was important not to just focus on making do, but thinking about what we really need.”*

*Maggie Montgomery, General Manager, Northern Community Radio*

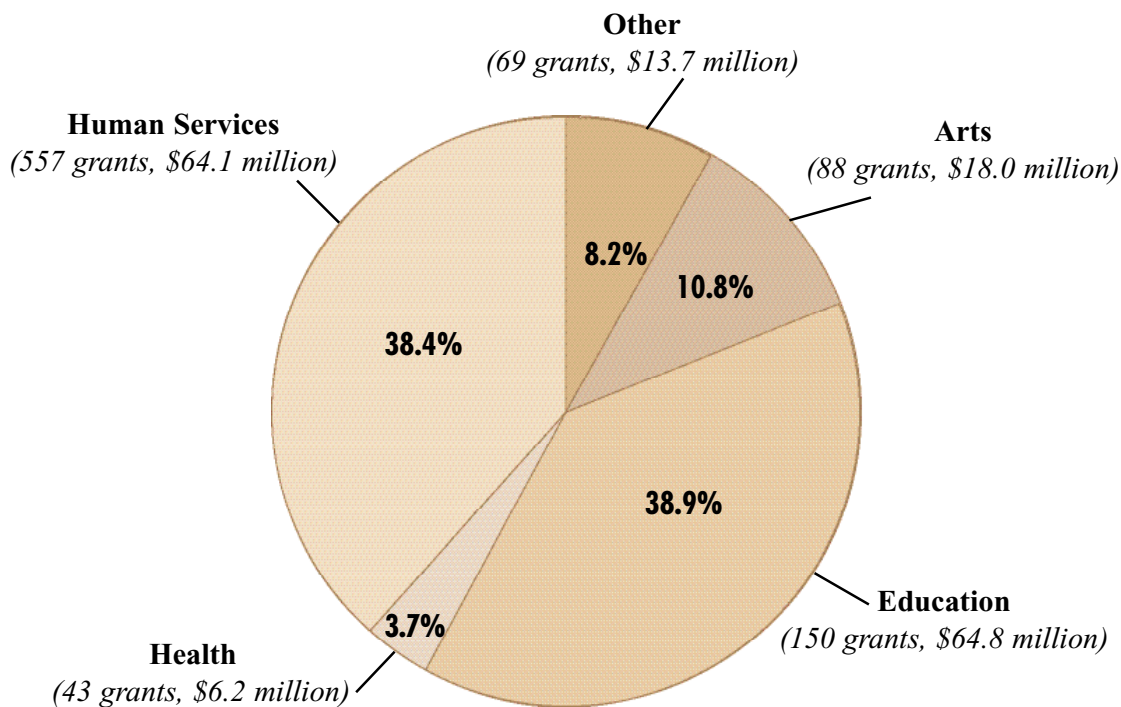
## Facts about Bush Foundation capital grants

The Bush Foundation’s goal for making capital grants is to “strengthen organizations and enable them to better serve their clients,” according to the Foundation’s 2002 Strategic Plan. Capital grants represent a significant portion of the Bush Foundation’s work; over the past 50 years, the Foundation has made 27 percent of its grants to capital projects (907 grants totaling \$166,777,198).

The Foundation receives approximately 50 capital proposals each year; its Board of Directors approves over half. Of those annual approvals, slightly more than half support capital projects in the Twin Cities area, one-quarter go to the rest of Minnesota and North and South Dakota each receive one-tenth. The remainder are made outside the region to colleges and universities as part of specific Foundation programs.

The impact of Bush Foundation capital funding on the region has been major, especially in North and South Dakota, where capital funders are few and many organizations are isolated. According to a 2001 report from the Foundation Center, Bush Foundation human services capital grants account for 71 percent of all such funding in South Dakota and 29 percent of capital grants made in North Dakota.

### CAPITAL GRANTMAKING BY PROGRAM AREA



# Bush Foundation Grants Approved in March 2004

## ARTS AND HUMANITIES

**Heart of the Beast Theatre, Incorporated**  
*Minneapolis, Minnesota*  
 To develop a system to increase and retain individual donors.....**\$40,000**

**Illusion Theater and School, Inc.**  
*Minneapolis, Minnesota*  
 For continued operating support through the Regional Arts Development Program .....**\$180,000**

**Loft, Inc.**  
*Minneapolis, Minnesota*  
 For continued operating support through the Regional Arts Development Program .....**\$200,000**

**Minnesota Center for Book Arts**  
*Minneapolis, Minnesota*  
 For initial operating support through the Regional Arts Development Program .....**\$129,600**

**Minnesota Opera Company**  
*Minneapolis, Minnesota*  
 To design and implement a development initiative to stimulate new individual and corporate contributors.....**\$650,000**

**New York Mills Arts Retreat**  
*New York Mills, Minnesota*  
 For additional administrative and promotional support related to a new arts program for teens in rural Minnesota.....**\$34,800**

**North Valley Arts Council**  
*Grand Forks, North Dakota*  
 To increase the time and compensation of the administrative coordinator and to support associated activities...**\$25,000**

**Saint Paul Chamber Orchestra Society**  
*Saint Paul, Minnesota*  
 For continued operating support through the Regional Arts Development Program .....**\$600,000**

**Zenon Dance Company and School, Inc.**  
*Minneapolis, Minnesota*  
 To develop and implement a plan to increase individual donors.....**\$35,000**

## EDUCATION

**Dakota Wesleyan University**  
*Mitchell, South Dakota*  
 For a matching capital grant to support construction of the George and Eleanor McGovern Library and Center for Public Service.....**\$425,000**

**Fort Berthold Community College**  
*New Town, North Dakota*  
 To improve faculty skills in instructional technology, curriculum development, assessment of student learning and knowledge of tribal cultures, and to help faculty complete graduate degrees .....**\$90,000**

**Macalester College**  
*Saint Paul, Minnesota*  
 To renew a faculty development program that deepens the capacity of faculty to teach and advise students from all backgrounds and prepare students for a multicultural world.....**\$300,000**

**Tougaloo College**  
*Tougaloo, Mississippi*  
 To expand activities of the Historically Black College and University Network .....**\$100,000**

**United Negro College Fund, Inc.**  
*Fairfax, Virginia*  
 To support 39 United Negro College Fund member colleges and universities .....**\$350,000**

## HEALTH

**Health Education Development System, Inc.**  
*Fort Meade, South Dakota*  
 To hire computer and faculty trainers .....**\$53,000**

## HUMAN SERVICES

**Access of the Red River Valley, Inc.**  
*Moorhead, Minnesota*  
 To hire a behavioral management coordinator to develop and implement a state-approved training curriculum for mental health behavioral aides .....**\$55,000**

**Battered Women's Legal Advocacy Project, Inc.**  
*Minneapolis, Minnesota*  
 For a strategic plan.....**\$20,000**

**Chicanos Latinos Unidos En Servicio, Inc.**  
*Saint Paul, Minnesota*  
 Toward a capital campaign to lease space in Minneapolis and to build a mixed-use facility on Saint Paul's East Side .....**\$375,000**

**Chrysalis, Center for Women**  
*Minneapolis, Minnesota*  
 To start a new program that treats women with the co-occurring disorders of mental illness and chemical dependency .....**\$60,000**

**Development Corporation for Children**  
*Minneapolis, Minnesota*  
 To expand child care businesses in North Dakota and South Dakota through a model that integrates financing, business development and investment strategies .....**\$160,000**

**District 202**  
*Minneapolis, Minnesota*  
 To fund a transition in management structure and to develop an agency-wide evaluation plan for an agency that provides a safe and supportive environment for gay, lesbian, bisexual and transgender youth.....**\$90,000**

**Domestic Abuse Project, Inc.**  
*Minneapolis, Minnesota*  
 For the fathers' parent education project .....**\$20,000**

**Family Alternatives**  
*Minneapolis, Minnesota*  
 To develop a program for teens in foster care.....**\$50,000**

**Family Recovery Home, Inc.**  
*Williston, North Dakota*  
 To expand services to include residential treatment.....**\$140,460**



Photographer, Brian Peterson, Minneapolis Star Tribune

*I thought fondly of those hunting days almost a half century ago: old men in tan clothes with bloody pockets walking through that brush with their heavy guns, their dogs busy scaring up birds. That strip of swampy brush ranks high among my list of magical places on this planet, but it exists now, unfortunately, only in memory.*

Bill Holm

Minneota

*The Island of Pheasants on the West Eighty*

Excerpted from *Voices for the Land*

**Greater Twin Cities United Way**

*Saint Paul, Minnesota*

For the Strategic Planning Fund to enable nonprofit organizations to plan for and implement strategic change, including mergers or significant agency restructuring.....**\$50,000**

**Growing Home**

*Saint Paul, Minnesota*

To implement supportive services at a 12-unit supportive housing program for youth who have become ineligible for public support and are exiting from foster care or residential treatment in a hospital, center or group home.....**\$80,000**

**Lao Parents and Teachers Association**

*Minneapolis, Minnesota*

To expand a volunteer program.....**\$80,000**

**Leadership Empowerment and Development Group**

*Minneapolis, Minnesota*

To develop a training initiative to strengthen the management skills of African nonprofit leaders.....**\$70,000**

**Lewis and Clark CommunityWorks**

*Bismarck, North Dakota*

To expand operations of a revolving housing loan fund for low-income people in North Dakota.....**\$75,000**

**Life House, Incorporated**

*Duluth, Minnesota*

To renovate supportive housing for five homeless and sexually exploited young women with mental health or chemical dependency problems.....**\$65,000**

**Mental Health Association in North Dakota**

*Bismarck, North Dakota*

For a comprehensive statewide 2-1-1 information and referral system for North Dakota.....**\$60,000**

**Metropolitan Area Agency on Aging, Inc.**

*Saint Paul, Minnesota*

For a demonstration project to sustain cultural minority elders in their communities.....**\$225,000**

**Minneapolis Urban League**

*Minneapolis, Minnesota*

To provide family education and support for African immigrants and refugees in an employment program.....**\$118,479**

**People, Incorporated**

*Saint Paul, Minnesota*

For a capital campaign to renovate existing facilities and construct a new building to serve people with mental illness.....**\$340,000**

**Reuben Lindh Family Services**

*Minneapolis, Minnesota*

To support the Southeast Asian Kindergarten Readiness Program .....**\$60,000**

**Seventh Circuit Court Appointed Special Advocate Program**

*Rapid City, South Dakota*

Toward wages and expenses for two new volunteer coordinator positions.....**\$83,000**

**St. David's Child Development and Family Services**

*Minnetonka, Minnesota*

For personnel involved with development and implementation of a program for at-risk teen mothers, a formal evaluation for development and improvement of the program, and one year planning for expanded mental health services .....**\$114,205**

**Tibetan American Foundation of Minnesota, Inc.**

*Saint Paul, Minnesota*

Toward a capital campaign for a Tibetan community cultural center.....**\$145,000**

**Tubman Family Alliance**

*Minneapolis, Minnesota*

To expand a pilot intervention program to identify and serve children exposed to violence.....**\$270,000**

**Wayside House, Inc.**

*Saint Louis Park, Minnesota*

To support strategic planning for delivery of chemical dependency treatment services in response to changing regulations and funding.....**\$20,000**

**Welcome Center, Inc.**

*Austin, Minnesota*

To expand services to include citizenship, English as a Second Language (ESL), job skills and community education...**\$20,000**

**Wiconi Wawokiya, Inc.**

*Fort Thompson, South Dakota*

To provide services to children who are victims of domestic violence and/or sexual assault.....**\$121,854**

**YouthLink**

*Minneapolis, Minnesota*

To develop a partnership between YouthLink and Project Foundation to enhance service delivery to homeless and runaway youth.....**\$142,500**

**OTHER**

**Center for Health, Environment and Justice**

*Falls Church, Virginia*

For the "Be Safe Campaign," to protect the environment and children's health .....**\$50,000**

**League of Women Voters of Minnesota Education Fund**

*Saint Paul, Minnesota*

To renovate the Minnesota Women's Building.....**\$95,000**

**Minnesota Environmental Partnership**

*Saint Paul, Minnesota*

To reduce water pollutants and strengthen work with similar organizations..**\$150,000**

**Minnesota Land Trust**

*Saint Paul, Minnesota*

For permanent protection of land and shoreline to improve water quality in Minnesota.....**\$125,000**

**State of Minnesota, Department of Natural Resources**

*Saint Paul, Minnesota*

To develop information to guide community development planning that protects natural resources.....**\$140,000**

**Grand Total**

**\$6,882,898**

## Pilot Program Reaps Positive Results

# Small arts organizations use time and training to reflect, retool and learn from each other

### ArtsLAB Funders

Katherine B. Andersen Fund  
F.R. Bigelow Foundation  
Bush Foundation  
Jerome Foundation  
Mardag Foundation  
The Saint Paul Foundation

### ArtsLAB Participants

ArtStart  
Ballet of the Dolls  
Cedar Cultural Center  
East Side Arts Council  
Interact Center for the Visual and Performing Arts  
No Name Exhibitions @ The Soap Factory  
Oak Street Arts (now Minnesota Film Arts)  
Teatro del Pueblo

*By Nancy Fushan*

Amid the pressures of daily life, many of us yearn for the opportunity to slow down and reflect about where our lives are taking us. Such reflections often result in significant growth and development. The same can be said for small arts organizations, particularly those that are artistically strong and vital yet lack the internal capacity, expertise and financial resources to plan successfully for future growth and advancement. ArtsLAB, a three-year pilot program of several Saint Paul-based foundations, including the Bush Foundation, put this idea to the test. Could more time for self-assessment, resources for planning and other technical assistance, and opportunities for peer learning and information sharing help smaller arts organizations grow and thrive? The findings were positive, both for the participants and for the foundations that supported the program.

### The ArtsLAB pilot program

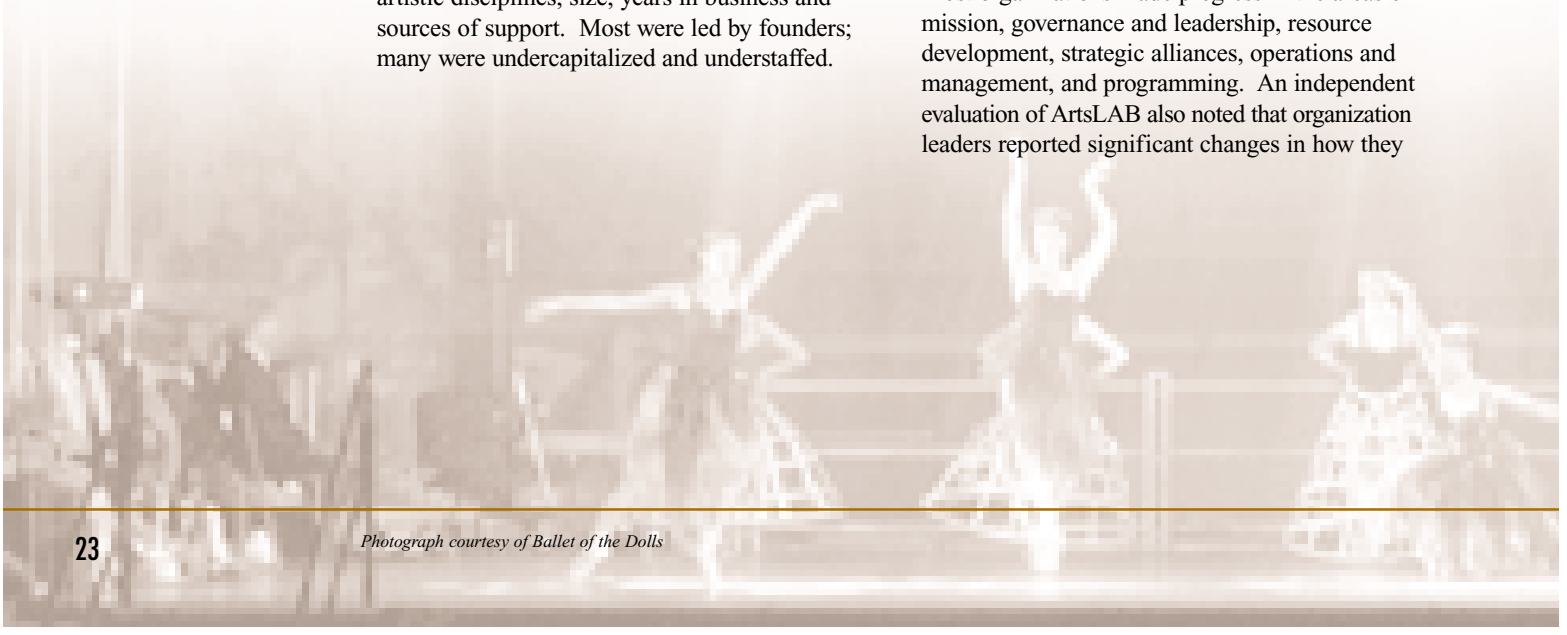
ArtsLAB selected eight organizations from a pool of applicants based on a demonstrated history of actively engaging artists, audiences, participants, neighborhoods and communities in high-quality arts activities. They were diverse in terms of artistic disciplines, size, years in business and sources of support. Most were led by founders; many were undercapitalized and understaffed.

Each organization formed a leadership team, consisting of senior staff and board representatives, to guide their organization through ArtsLAB processes and activities. Beginning with an extensive self-assessment that identified critical issues and established early goals for their organization's capacity building, it "pulled things into focus—it was tremendously cathartic and uplifting," according to Cedar Cultural Center Executive Director Bill Kubeczko.

Over the next three years, the eight leadership teams attended seven retreats and four informal salons. They also received individualized consulting and technical assistance services from LarsonAllen Public Service Group. Additionally, ArtsLAB gave each organization \$40,000 in general operating support and \$5,000 for staff and board development related to its specific critical issues. Yet participants said they considered the monetary support secondary. As a team member at ArtStart observed, "Training was significant. If we hadn't had ArtsLAB, we'd have spent the money and be in the same place. You can't put a price on learning."

### ArtsLAB results

Most organizations made progress in the areas of mission, governance and leadership, resource development, strategic alliances, operations and management, and programming. An independent evaluation of ArtsLAB also noted that organization leaders reported significant changes in how they





approached and resolved problems. They considered the leadership teams an effective strategy for learning and deepening engagement within the organization. They also highly valued peer interactions and the chance to share resources with other organizations. Most important, they were relieved to learn that they could plan for strategic change and develop their business skills without losing the essence of their artistic mission and spirit.

Several reported that they have continued to use their ArtsLAB experiences and processes to cope with serious economic and organizational challenges since graduating from the pilot program in 2002. East Side Arts Council Executive Director Sarah Fehr claims that achieving their ArtsLAB goals of increasing earned income, developing significant partnerships with the Saint Paul Public Schools and establishing a cash reserve has been “critical to getting us through these tough times.” Ballet of the Dolls Executive Director Craig Harris talked about extending the “common language we developed between our staff and board” to new collaborations with outside groups. He also continues to meet with some of his ArtsLAB colleagues to share insights and ideas. While the uncertain economic situation makes “big picture” planning difficult, Jenny Jones of Minnesota Film Arts (formerly Oak Street Cinema) said her group hopes to build on their ArtsLAB work to further board development and planning efforts.

“The participants are more confident,” said Ruby Lee, program officer for The Saint Paul Foundation, which managed ArtsLAB, “and much more aggressive in building new partnerships and finding creative ways to diversify their funding and programs.”



*Photograph courtesy of East Side Arts Council*

## Learning goes beyond grantees

One of the added benefits of the ArtsLAB pilot project was the opportunity for foundations to work together in new ways. By pooling support, for example, they provided more funding assistance together than any one of them could have done on its own. ArtsLAB also resulted in a deeper level of cooperation, even for those foundations that had engaged in prior collaborations. “We all had to put something aside,” said Jerome Foundation Vice President Vickie Benson, “For Jerome, it was supporting only emerging artists. We gave that up and learned we could still create something really positive and necessary.” Benson took the lessons from ArtsLAB and created a capacity-building pilot program for individual artists at the Jerome Foundation.

“ArtsLAB gave our trustees a sense of how powerful a capacity-building program can be,” believed Mardag Foundation Vice President Gayle Ober. She hoped that, with an improving economy, there will be renewed interest among foundations to collaborate on a new and refined version of ArtsLAB. ▽

*Nancy Fushan is a Bush Foundation program officer; and Margaret Walker, Ph.D. is an organizational development consultant who conducted the ArtsLAB evaluation.*

# Extensive planning paves the way to successful capital projects

*By Julie Gordon Dalglish*

Behind most successful capital projects you are sure to find comprehensive planning. Organizations that take the time to evaluate a proposed project's potential impact and its long-term feasibility end up developing a facility that best meets its needs and those of the community. Planning may also eliminate or reduce the number of inevitable surprises, contribute to a stronger case for support from potential funders and, in the end, ensure a success story.

Because of the specialized nature of facility planning, many organizations hire expert consultants at different stages in the process to investigate fully and in an objective way the issues that surface along the way. My consulting experience in planning for new or renovated facilities has been primarily for cultural organizations. Whether you're building a homeless shelter, performance space, classroom or any facility that will be used by the public, the basic stages of the planning process are the same—preliminary planning; assessment of needs, interest and projected usage; feasibility study of capital and operations costs; capital campaign planning and design.

Every project is unique and may require additional planning components, but at a minimum all organizations that embark on a capital project ought to consider planning through these five basic steps, although this article focuses only on the first three.

### Preliminary planning

The planning stage is where you have the best opportunity to identify the issues that will define how you will develop the new or renovated facility. It's also a chance to involve, from the beginning, a broad base of organizational and community leaders in the process. This is the point at which you assemble a planning committee to enlist the support and advice of community leaders, representatives of the groups that will be using the facility and members of your board of directors. With the committee in place, you are set to assess your organization's capacity to plan for, complete and successfully operate in the facility; to generate community interest and to identify the key issues. Using a consultant at this point to facilitate meetings that further define the project and the planning process is often a good idea.

### Assessment of needs, interest and projected usage

Too often organizations either skip this phase of planning or fold it into the feasibility study. An assessment at this point, however, is a great tool to give you a thorough understanding of the needs of those who use or will use the facility, a clearer picture of the issues that will come from community use of the space and a more comprehensive and well thought-out review of the feasibility of the project.

The primary purpose of this assessment is to determine both the scope and uses of the facility as well as its

potential impact. Many tools are available for examining the needs of all the users, both the organizations and their audiences. Market surveys, focus groups and public meetings bring valuable information to the table. You can learn as well from preparing an inventory of the organization's existing programming and spaces, assessing current space needs and projecting future needs and exploring the users' capacity for expanded programming, if appropriate.

Questions about the proposed facility come into focus during this phase. How large or compelling is the need for this new facility, and is there enough interest in the targeted community to sustain it? While you can collect much of this information internally, retaining a consultant at this point may be helpful, especially in directing the community research and in understanding further current and potential programmatic and space needs.

If there is strong interest in and need for your new or renovated facility—and you may discover there's not—then you can get to work on determining the feasibility of proceeding with the project.

### Feasibility study

At this stage everyone's looking for the answer to the most obvious and immediate question: "What will the project cost, and how are we going to pay for it?" It's equally important to think about the long-term operating costs. Showalter and Itzkowitz found

*Photograph courtesy of Home on the Range*

in *Building Stronger Organizations* (see sidebar) that “many nonprofit agencies underestimate or are surprised by the maintenance and operating costs of their new facilities. One expert says that bricks and mortar (for human service agencies) represent only about one-quarter to one-third of what it costs overall to move into a larger facility. To be successful, agencies must consider the implications for budgeting, staffing, programming and maintenance once the project is complete.”

The valuable information collected in your needs assessment and usage study translates into preliminary design concepts in order to determine site needs and projected capital costs and into management and financial plans for operations. Once you know the projected costs for both the building and long-term operations, the study may proceed to determining the capacity of the community to pay for the project over the long-term, seeking opinions from community leaders about the project and identifying potential funding sources.

You may choose to hire financial and organizational management, architectural, real estate, and urban planning consultants during this phase to address key questions such as:

- Will the building program and site accommodate the possibility of partnerships or joint/mixed use with other enterprises?
  - What is the long-term, comprehensive cost/benefit analysis for capital and operating implications?
  - What is the best governance and management structure?
  - What is the general magnitude of the annual operating budget based on the desired programs, the nature of the facility and the governance and management structure?
- If the answers indicate that the costs are reasonable, that the community has the desire and ability to support the project and that the organization operating the facility has the capacity to manage the programs and venue over the long term, then the project can move forward to the final two steps—planning for the capital campaign and for the building’s design.

While planning for new or renovated facilities may seem especially time consuming and costly, the investment in both expert consultants and staff and board time will inevitably pay off in the long run, reducing the number of surprises, improving the ease with which the project is executed and ensuring greater success once completed. ▫

*Julie Gordon Dagleish has worked for 25 years in communications, planning and management for a wide variety of performing arts enterprises and cultural, government and funding agencies. She has managed cultural facilities planning projects for cities and states nationwide. Dagleish currently serves as director of the Bush Foundation’s Artist Fellows Program and consults with several Twin Cities arts groups.*

## Report offers insight into capital campaigns

In 2002, consultants Susan Showalter and Vicki Itzkowitz produced a report for the Bush Foundation, *Building Stronger Organizations: The Impact of Capital Projects—Lessons for Human Services Agencies and Their Funders*. They found that:

- “Because capital projects are infrequent, staff rarely have the necessary technical knowledge and experience; sometimes they lack enough knowledge to know they need assistance.
- “Effective project planning and management is time consuming and can divert an agency’s attention from its mission and clients.
- “Working with individuals or firms with the necessary expertise can help nonprofit organizations bridge the experience gap, ‘borrowing’ the expertise they need rather than attempting to ‘own’ it.”

*To receive a copy of this report, contact the Foundation at [www.bushfoundation.org](http://www.bushfoundation.org) or (651) 227-0891.*

### Evolving pool of applicants keep fellowship programs effective



*Highway 100 is ancient in road years. Those lilac bushes were already old when I was a child in the '60s. But the most touching thing about Highway 100 is something that's harder to spot. Look along the side of the road by the interchanges with Minnetonka Boulevard, Highway 7 or Highway 81, and you'll see stone picnic tables and benches, maybe a beehive-shaped stone fireplace. To me, this says something amazing, something hard to grasp at the start of the twenty-first century: Highway 100 stems from a time when people thought that the side of a highway was a fine place for a picnic.*

Lora Polack Oberle  
St. Louis Park  
Picnic Highway  
Excerpted from *Voices for the Land*

*Photographer, Brian Peterson, Minneapolis Star Tribune*

Each year, hundreds of people in the Bush Foundation's region submit an application to one of the Foundation's three fellowship programs. Once submission deadlines pass—late fall for the Artist and Leadership Fellows Programs and late winter for the Medical Fellows Program—selection committees begin narrowing a pool of promising candidates to a few recipients.

It's always exciting to consider a fresh group of applicants and the innovative ideas they propose. It impresses John Archabal, director of the Leadership Fellows Program, that the "overwhelming commitment of the majority of applicants is to make their world a better place to live."

The 833 applicants for the 2004 Artist, Leadership and Medical Fellows Programs are a diverse lot. They range in age from 26 to 88; women make up more than 56 percent of the applicant pool. Nearly a quarter claims an ethnicity other than European.

"We were especially thrilled with the quality and large response for the new traditional and folk arts category—more than 100 applicants," said Julie Dagleish, director of the Artist Fellows Program. "The panel saw an amazing range of work from the folk artists, from rosemaking to porcupine quillwork, woodcarving, Armenian repoussé, Irish dancing and music, American Indian storytelling and much more."

The Foundation relies on an evolving pool of applicants to keep its fellowship programs effective. First-time hopefuls intermingle with persistent aspirants who may have refined or redefined their goals over the course of many years.

Right now, someone you know (maybe you) has an irresistible idea, a passionate need to make a difference. If that's the case, Medical Fellows Program Director Michael Wilcox, M.D., hopes you'll consider applying for the next round of fellowships. "We believe one of the best outcomes of the fellowship selection process is the understanding applicants gain, not only about what they want to achieve with their talents but the steps they need to take to reach that goal. It's the old story about the process being as valuable as the destination."

*The Artist and Leadership Fellows Programs will announce 2004 recipients in May. The Medical Fellows Program will follow soon behind in June. For a list of 2004 Bush Foundation Fellows or information about how to apply for a 2005 fellowship, visit [www.bushfoundation.org](http://www.bushfoundation.org).*



## Letters from Fellows

### Be persistent

When Ramona S. Scarpace became a Leadership Fellow in 2003, it was the culmination of a long process—she had applied to the program three times before and knew the disappointment that came with not making the final cut. In a letter she wrote last summer, Scarpace shared some advice for applicants who had not received fellowships:

- “Try not to run ‘what if’ scenarios in your head. I don’t think there is any single reason why a person isn’t selected.
- “Give yourself time to be disappointed and to regroup.
- “Believe that the time spent writing your proposal and attending the final seminar was time well spent. (For me it was growth enhancing and ultimately helped me better focus on my direction.)
- “Don’t put your plans on hold. Go forward with your plans in some way. Take a course related to your proposal. Find ways in your current work situation that help you achieve part of your proposal. (I took some graduate-level courses, did some community work and got some new assignments at work. All these things kept me moving forward and believing in myself.)
- “Look for other ways to fund a part of what you want to do.
- “If you plan to apply again, critically look at your proposal. Ask a mentor or trusted colleague to help you.
- “And last—and this was the hardest for me, trust the fellowship selection process. It’s well tried, carefully crafted and evaluated each year.”

A director at the Minnesota Department of Human Services, Scarpace used her fellowship to attend the Executive Leadership Program at the Center for Creative Leadership to study leadership techniques to mentor others and to better serve her community.

### Prepare to be humbled

Carol Pavlish, a 2003 Leadership Fellow and associate professor of nursing at The College of Saint Catherine, used her fellowship to work with the American Refugee Committee conducting research on the impact of the refugee experience for her doctoral dissertation. In an email to Foundation staff, she shared these observations about her time in a refugee camp in Rwanda:

*“I absolutely marvel at the resilience here and am terribly confused by the abject poverty. I honestly don’t know if any plan can result from the data I’ve gathered but I am absolutely committed to figuring out how research can lift lives a little bit. I think my lowest point came right after I listened to one particularly difficult life story. I was sitting in the small training tent where I had been interviewing and feeling a very disquieting despair, especially at how different my life was from theirs, and wondering how I could ever make this research work for them. But then the door swung open a bit and I looked outside and a man was planting small plants along a muddy fence line: He peeked in at me and smiled and waved...and my heart lifted a bit. I decided that even small things grow and I must look for the seeds rather than the trees. I also decided when seeing that wonderful smile on the man’s face that if they have the courage to live their lives then I can certainly find the courage to listen to their lives.”*

### Bush Artist Fellows Program

Sound sculptor **Philip Blackburn** (BAF'03) collaborated with "movement architect" Deborah Jinza Thayer to create a piece for the Best Feet Forward Dance Series at the Southern Theater in Minneapolis.

**Brent Michael Davids** (BAF'01) arranged Chopin nocturnes for a variety of instruments and human voice as musical director of *To Begin Again*. He is also the artistic director for the First Nations Composer Initiative, which strives to bring the opportunity of composing to American Indian students age 14 and older.

*Nerve* magazine published *Twelve*, a short story, in its fall fiction issue; **Maureen Gibbon** (BAF'01) is the author.

Jelloslave, a cello duo that includes composer **Michelle Kinney** (BAF'03), performed at the Cedar Cultural Center in Minneapolis in February. In addition to Kinney's compositions, the duo played the music of Bach, Led Zeppelin and Coltrane.

**Kevin Kling** (BAF'03 & '88) staged *From the Charred Underbelly of the Yule Log* at the Guthrie Theater; *Mpls St. Paul Magazine* named him "Actor of the Year" in December. The magazine's January issue included an extensive article about Kling.

**Rod Massey** (BAF'86) showed his work in late winter at the Groveland Gallery in Minneapolis.

In January, **Sheila O'Connor** (BAF'01) was the focus of an extensive article in the *Minneapolis Star Tribune* that highlighted her recent novel, *Where No Gods Came*. Barnes and Noble chose the book for its Discover Great New Writers program; it also won the Michigan Prize for Literary Fiction.

*Children in Bangladesh.*  
Photograph courtesy of Steve Laible

The Ogle gallery of Portland, Oregon hosted the sculpture of **Mike Rathbun** (BAF'98) in a show titled *Heroic – Pathetic Ironies*.

**Paul Shambroom** (BAF'02 & '92) discussed his new book, *Face to Face With the Bomb: Nuclear Reality After the Cold War*, at the Minnesota Center for Photography. He took the photographs, described by one critic as "eerily beautiful," between 1992 and 2001 at military bases in the U.S. and the South Pacific. Shambroom is the recipient of the 2003 Penny McCall Award, a \$30,000 grant to continue his work.

The newest performance piece by **Michael Sommers** (BAF'90 & '98), *Elijah's Wake*, lit up the stage at Franklin ArtWorks in Minneapolis in November 2003.

Twin Cities area performers restaged the dances of **Kristin Van Loon** and **Arwen Wilder** (BAF'02) in celebration of the 10th anniversary of this performance duo's annual dance performance, known as *Hijack*. At the end of the evening, the pair premiered their newest collaboration, *Fetish*.

*Silken Phoenix*, a chamber music theater work for actress, cello, piano and percussion, was performed at Macalester College in Saint Paul in January. **Wang Ping** (BAF'03) wrote the text of the work, which celebrates Asia's three greatest women poets: Ho Xuan Huong of Vietnam, Izumi Shikibu of Japan and Li Qingzhao of China.

### Bush Leadership Fellows Program

**James H. Day** (BLF'86) authored *The Class of 2002*, a report for the Minnesota Private College Research Foundation about the impact of federal, state and institutional aid on the education experiences and debt of private college graduates.



The Citizens League welcomed **Glenn Dorfman** (BLF'82) to its Board of Directors in January. The organization focuses on improving public services and finance systems.

Volunteer work continues at a hospital in Bangladesh for **Steve Laible** (BLF'83) and his wife, Nancy. During their last trip, he joined the hospital's Board of Directors.

**Geralyn Sheehan** (BLF'94) presented a workshop in late winter for the Minnesota Council on Foundations, "Focused on the Positive: The Power and Impact of Asset-Based Grantmaking."

The National Foundation for Women Legislators awarded one of 12 Latina Leadership Awards to **Sandra Vargas** (BLF'95).

**Judy Winiecki** (BLF'95) retired from the Minnesota Department of Natural Resources in late 2003 but not before the Minnesota GIS/LIS Consortium gave her its Lifetime Achievement Award.

**Rabbi Herbert A. Yoskowitz** (BLF'88) published a second, expanded edition of his book, *The Kaddish Minyan*.

### Bush Medical Fellows Program

**Reuben Bareis, M.D.** (BMF'87) and his wife, Marlowe, established a permanent endowment fund with the South Dakota Community Foundation.

An article by **Charles W. Bransford, M.D.** (BMF'00) appeared in the September 2003 issue of *Minnesota Physician*. Its topic was the lessons he learned while receiving treatment for leukemia.

The October 2003 edition of *Minnesota Medicine* featured a story about **Barbara Yawn, M.D.** (BMF'89) that focused on her career in primary care, practice-based research.



### Fellows, we want to hear from you!

To submit news or photos, please email us at [fellowsnews@bushfoundation.org](mailto:fellowsnews@bushfoundation.org) or send it to:

Bush Foundation Fellows News  
332 Minnesota Street, Suite E-900  
Saint Paul, Minnesota 55101-1315

### Bush Foundation Board and Staff

**Ivy S. Bernhardson** became general counsel to the Hazelden Foundation in January 2004. She is a member of the Bush Foundation's Board of Directors.

Foundation Board member **Wilson G. Bradshaw** began a term on the Board of Directors of the Citizens League in January.

**Dwight Gourneau** joins the Bush Foundation Board of Directors in May 2004. A 1990 Bush Leadership Fellow, he is a consultant who works in the areas of information technology services, economic development and education. Gourneau takes the place of departing Board member, **W. Richard West**.

In late 2003, Senior Program Officer **Jane Kretzmann** began a three-year appointment to the Management Board of the Environmental Grantmakers Association, a project of the Rockefeller Family Fund and an affinity group of the Council on Foundations.

President **Anita M. Pampusch** received the Alexandrine Medal for outstanding service to higher education from The College of Saint Catherine at its winter commencement. She is the past president of the College and also gave the address at the ceremony.



Lee Ronning, President,  
1000 Friends of Minnesota

“A place is not a thing; it is a relationship,” stated the late Minnesota writer Paul Gruchow in his foreword for *Voices for the Land*, a compilation of essays by Minnesotans about their favorite places. The book, illustrated with black-and-white photographs taken by *Minneapolis Star Tribune* photographer Brian Peterson, was published by the Minnesota Historical Society Press in 2002. Originally, the essays were part of a project organized by a nonprofit group, 1000 Friends of Minnesota, which encouraged residents to write about the land they love and to fight for its preservation.

Lee Ronning, founder and president of 1000 Friends of Minnesota, described the *Voices for the Land* project as “a way to give voice to the people in Minnesota who find beauty and rejoice in their landscapes. There are no rights or wrongs in their feelings about the places that are as diverse as their communities. It was a way to engage the citizens and give tools to organizations fighting every day to protect our environment.”

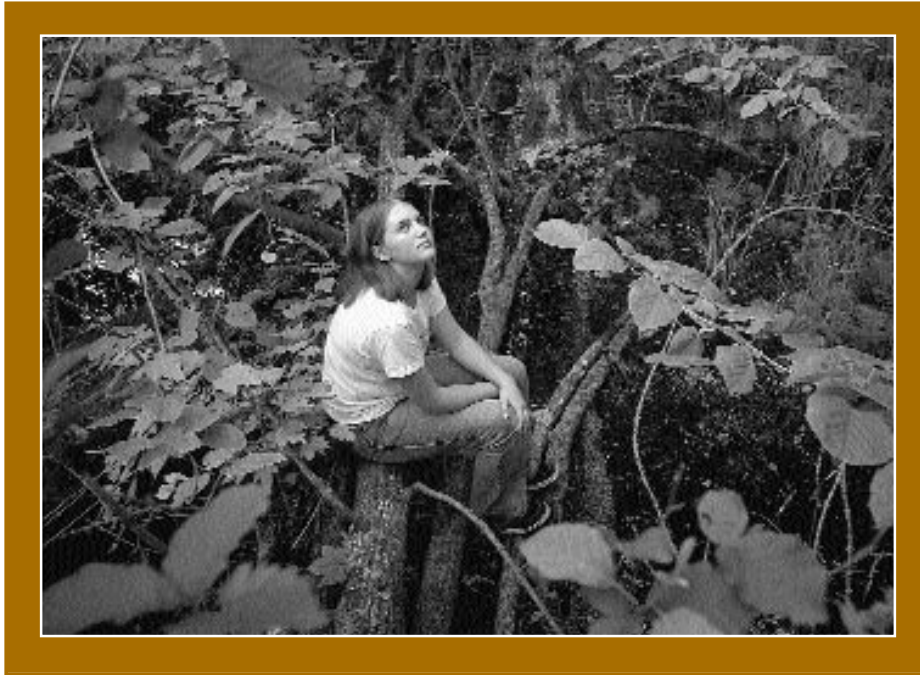
The essay contest began as a conversation among women sitting around a kitchen table in 1996. They wanted to amplify the voices of people who felt helpless as they watched their favorite natural places become shopping centers, housing developments and highways. More than 1,500 responded to the first call for short essays about the places they love. In 1999, 1000 Friends of Minnesota adopted the project and began holding local events around the state to honor the winners.

“The winners became celebrities in some cases,” Ronning said. “Some even became activists. It is a way of grassroots organizing that is about the individual and their feelings. It adds a softer touch, a memorial and tribute to the state written by its citizens.”

*“It’s not about public places; most are very personal.”*

The idea to publish the essays as a book came from Henry Richmond, founder of 1000 Friends of Oregon and a mentor of Ronning’s. In 2003, 1000 Friends of Minnesota produced *Voices for the City*, a book of selected essays from Minnesotans writing about the cities and towns they love.





*There's a place in the woods near my home where I often go.*

*I sit and listen to the swamp sounds, with each creature playing its own instrument with its own melody, and as their music joins together it becomes the greatest symphony written by the greatest composer—a song no one can describe. It lifts up my heart and makes me feel that I am listening to God's own hymn. There is no way to recreate this sound: It comes from the depths of the earth and the soul of the animals; it comes from the lapping of the water and the rustling of the cattails and reeds.*

Eleva Potter

Bemidji High School student

*God's Own Hymn*

Excerpted from *Voices for the Land*

*Photographer, Brian Peterson, Minneapolis Star Tribune*

To obtain copies of *Voices for the Land* or for more information visit [www.1000fom.org](http://www.1000fom.org)



*I grew up in a beautiful home not far from Saigon.*

*My father believed that home is not home until you bring nature in as much as possible, and with that in mind he transformed a small area around the walls into a garden with lush green trees and gorgeous blooming tropical flowers of a variety of colors. We played all day long under the shade trees, climbed up and played hide-and-seek under the mangos, rolled around on the soft green grass, which we had driven for hours out of Saigon to find and bring back.*

*Within a few years after the fall of Saigon, somehow we got settled in Minnesota. He worked days and nights to give us another home, a small piece of land in Minnetonka. Time flew by, and before we knew it my father had slowly transformed the area surrounding our new house into a beautiful garden. Somehow, watching our children rolling around in the grass and running up and down the hill under an old maple tree took me back. Memories came and went like the gentle breezes. My father sat quietly, watching us under a shade tree with a look of great happiness on his face.*

*Whenever I miss him now, I do not have to travel over the ocean. My mind has only to go back to those summer days in Minnetonka.*

Mai Nguyen Haselman  
Minnetonka  
*My Lost Paradise*  
Excerpted from *Voices for the Land*

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*Photographer, Brian Peterson, Minneapolis Star Tribune*

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