

2012 BLANDIN FOUNDATION GRAND RAPIDS AREA CHARITABLE ACTIVITIES

INTRODUCTION

This Annual Report is filed with the Ramsey District Court pursuant to the Court's desire for a formal annual update on the Blandin Foundation's Grand Rapids area giving commitment. This Report, which was proposed to the Court by the Blandin Board of Trustees, is especially important during this era of economic challenges when the Foundation's perpetual and primary role in the local community, as envisioned by Charles Blandin, must be clearly apparent and foremost on the mind of the Foundation.

This report presents information on grants approved by the Foundation in calendar year 2012, which provides a real-time record of the Foundation's giving activities. This complements the Special Master's report, which uses a cash basis to make the determination as to whether the Foundation is in compliance with its commitment to provide a minimum of 55 percent of grants in the local giving area.

STRATEGIC COMMITMENT

The Blandin Foundation's core commitment to the wellbeing of the local giving area is specifically articulated in its mission, "To strengthen communities in rural Minnesota, especially the Grand Rapids area" and the four priorities in its strategic plan:

- *Commitment to Home*: Foster conditions for vibrant Itasca communities.
- *Invest in Leadership*: Use leadership training, convening, financial support, and other resources to engage with people to strengthen rural communities.
- *Expand Opportunity*: Identify and develop activities that actively blend educational attainment, economic vitality, and greater inclusivity.
- *Effective Stewards*: Create internally the vibrancy we seek in communities.

The Foundation Trustees have identified "Commitment to Home" as the top strategic priority of the Foundation. Not only is there a specific strategy related to the Foundation's work in the Grand Rapids area, but most of the activity under the "Expand Opportunity" strategy also is occurring in the local giving area.

In 2012, improvement in the combined assets of the Trust and Foundation allowed the budget to increase to \$19,600,000, which is still well below the Foundation's 2008 budget of \$22,700,000 prior to the recession. Declines in Trust and Foundation assets resulting from the recession prompted a 20 percent reduction in the Foundation's budget in 2009, with annual budgets remaining nearly flat for several years at roughly \$18,500,000. Despite reduced or flat resources in recent years, the Foundation Trustees have maintained local grant making at the same level as prior to the recession, while making significant cuts in the amount of grants

elsewhere. This has allowed the Blandin Foundation to remain a consistent, dependable source of funding in the local area at a time of significant declines in revenue from other sources.

SUPPORT TO LOCAL COMMUNITY

Blandin Foundation uses a variety of assets to advance its mission to strengthen Itasca area communities. Not only does the Foundation have financial assets with which to support grant making, but it has human resources, physical assets, a strong reputation and voice, and broad networks that can be employed for the benefit of its home community.

Active Community Members

The Itasca area is home to the roughly 30 employees of the Foundation. It is where they live, shop, and engage in the fabric of their communities. The Foundation has an employee policy that actively encourages volunteerism, with staff being involved in organizations like Chamber of Commerce, United Way, Rotary, providing computer training to senior citizens, mentoring, youth coaching, Sunday school teaching, and a host of other activities that contribute to the vitality of the local giving area. In addition, the Foundation has a preference for purchasing supplies and services locally, including conducting 10 leadership training programs per year and other events in local facilities.

Engagement and Relationships

The Foundation believes in the notion that change follows relationships. Consequently, a high premium is placed on engaging with the community on a range of issues, using a variety of different ways to connect including:

- The new President of the Blandin Foundation has made a commitment to meeting and understanding the community via a series of ‘community conversations’ hosted in 9 Itasca area communities. A synopsis of these meetings is attached to this report. Some of the persistent themes included the desire to better serve youth and to continue the practice of having effective community dialogue designed to improve their communities, both of which the Foundation will be dedicating more resources to as a consequence.
- Similarly, Trustees have increased site visits to communities and partners in the Itasca area. For example, the board spent three days in Bigfork in September, exploring with community leaders how small towns can be most resilient.
- The Blandin Foundation and the Leech Lake Tribe of Ojibwe share a common service area in Western Itasca County. An emphasis has been placed on building deeper relationships with the Tribal Council and Leech Lake Community College to address issues of mutual concern around youth, workforce, early childhood, economy, and leadership capacity. The Foundation is also hosting a dialogue with Leech Lake and Grand Rapids area community members about the impacts of historical trauma and ways to overcome it.

- Training opportunities are provided to local community members to sharpen their skills in facilitating meetings and hosting effective community meetings as a strategy to build the capacity of the community itself to identify and tackle important issues.
- Foundation personnel are encouraged to be accessible, readily meeting with community members in one-on-one or group settings to explore opportunities for the community. This includes site visits by the Foundation Board of Trustees to grantees.
- The Foundation regularly opens its doors to workforce training programs, providing presentations about work place skills and career opportunities to area youth.
- Communications is also a vehicle for building relationships. Public speeches, a robust website dedicated to the local community (<http://itasca.blandinfoundation.org>), regular press releases, and publications like atHome (a listing of all grants and profiling local partners) help keep the public informed of the Foundation's direction and intentions.
- Research continues to undergird our understanding of priorities in rural communities, especially in Itasca County. We will update our Rural Pulse survey in early 2013, again with special attention to local perspectives.

Program Activities

Foundation program staff coordinate a number of community improvement projects. The Foundation is often the only entity with the staff capacity and resources needed to advance work on complex issues facing the community including:

- Coordination of a major community driven effort entitled Student Success, that seeks to improve educational outcomes for ALL students in the local giving area. Schools, private businesses, government, nonprofits, and parents are participating in an effort to align resources and establish shared accountability measures for pre-school through early career.
- The Foundation's administration of the federally funded broadband grant is winding down, but the Board has opted to continue work on broadband use and access utilizing Foundation resources. This is an activity open to all of rural Minnesota, but Grand Rapids and Leech Lake Nation are participants.
- Foundation staff are also tapped to facilitate other community dialogues such as improving access to transportation for lower income residents, the elderly and people with disabilities.
- In addition to financial resources, grantees receive capacity building support from the Foundation. Coaching, seminars, and facilitation resources are available to assist nonprofits on issues ranging from fund raising, to evaluation, board governance, and working together more effectively. A survey in 2012 of the roughly 80 participating organizations yielded high rates of satisfaction with the resources being offered.

Building Usage and Hospitality

The Foundation offices themselves are a valuable asset for the communities. Nonprofits and units of government are hosted as they conduct meetings and seminars at the Foundation. In addition, the Foundation has rented space for usage by non-profits at the downtown mall.

Dozens of organizations are served every year. The Foundation also features local artists in its offices every year, working with the local arts leaders to facilitate.

Grant Making

As the following table indicates, 62 percent of grants approved by the Foundation in calendar year 2012 were for the benefit of the local giving area. Funded activities included scholarships, early childhood education, economic development, technology adoption in local school districts, domestic abuse, hunger alleviation, emergency shelter, and a broad range of other charitable activities. Every year, millions of dollars is dedicated to long-term historical grantees in the local community with the balance of grants being invested in new, shorter-term opportunities to improve the community. A detailed list of approved grants is attached. The Foundation’s ratio of budget resources being dedicated to grant making versus programs and administration has remained consistent at 60 percent grants versus 40 percent programs and administration. Please note, the attached list is for grants only – it does not include \$950,000 of Education Awards Program scholarships that are awarded directly to students by the Foundation as authorized by an IRS private letter ruling. Also not included in the table or attached list are \$685,520 of federally funded broadband grants, \$85,200 of which were local and \$600,320 rural.

Grants and Scholarships Approved in 2012

	Amount Approved	Percent
Local	6,557,427	62%
Rural	4,051,874	38%
TOTAL	\$10,609,301	100%

CONCLUSION

The purpose of this Report is to give the Court the background to the grant numbers and provide the Court and community information on the Foundation's strong, primary and perpetual commitment to the Grand Rapids area. Continued positive feedback from the community suggests the Foundation is maintaining focus on meeting the needs of its home giving area communities. The Foundation seeks and welcomes community input, recognizing that we are partners in vibrant Itasca area communities. Foundation personnel—from board to administration to every staff member to close partners—are fully informed of the legal, mission-based and Court-based importance of the local commitment as embodied in the Strategic Plan and are dedicated to the task. This Report will be posted to the Foundation's website.

Dr. Michael Johnson
Chair, Blandin Foundation Board

Dr. Kathy Annette
President, Blandin Foundation