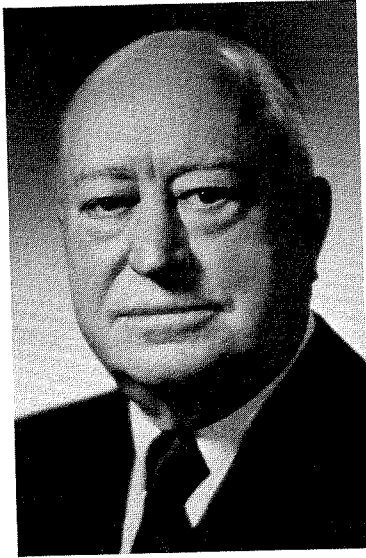


1978

The **BUSH FOUNDATION**

The BUSH FOUNDATION 1978



Archibald Granville Bush



Mrs. Archibald Granville Bush

THE
BUSH FOUNDATION

*Annual Report for the Fiscal Year
Ended November 30, 1978*

BOARD OF DIRECTORS

ELMER L. ANDERSEN, *Saint Paul, Minnesota*

THOMAS J. CLIFFORD, *Grand Forks, North Dakota*

EDWARD J. DEVITT, *Saint Paul, Minnesota*
(resigned January 18, 1978)

ELLEN Z. FIFER, *Saint Paul, Minnesota*

IRVING B. HARRIS, *Chicago, Illinois*

HESS KLINE, *Saint Paul, Minnesota*

HERBERT E. LONGENECKER, *New Orleans, Louisiana*

JOHN A. MCHUGH, *Edina, Minnesota*

HARRIET BUSH MEDLIN, *Granite Falls, Minnesota*
and Vista, California

JOHN F. NASH, *Saint Paul, Minnesota*

GEORGE C. POWER, JR., *Saint Paul, Minnesota*

JAMES P. SHANNON, *Wayzata, Minnesota*
(elected June 23, 1978)

WAVERLY G. SMITH, *Saint Paul, Minnesota*

HARRY P. SWEITZER, *Salt Lake City, Utah*

FRANK B. WILDERSON, JR., *Minneapolis, Minnesota*

WILLIAM T. YLVISAKER, *Chicago, Illinois*

The Bush Foundation

REPORT FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1978

OFFICERS

Elmer L. Andersen, *Chairman of the Board*
Waverly G. Smith, *First Vice Chairman of the Board*
Thomas J. Clifford, *Second Vice Chairman of the Board*
George C. Power, Jr., *Secretary*
John A. McHugh, *Treasurer*
Frank Hammond, *Assistant Secretary and General Counsel*

STAFF

Humphrey Doermann, *President*

Grant Program Activity:

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

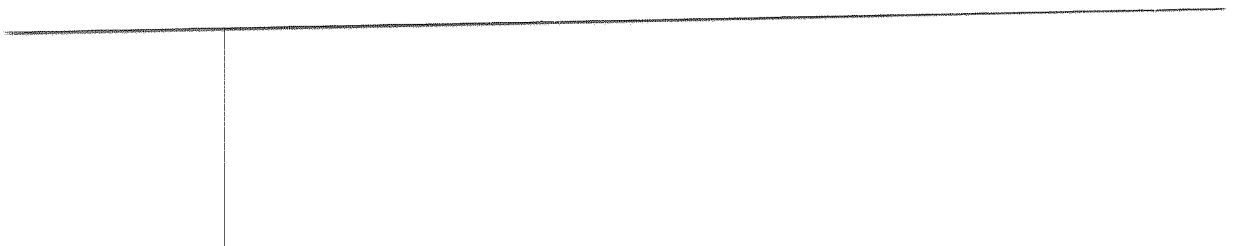
Business Management:

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

Staff Services:

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

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



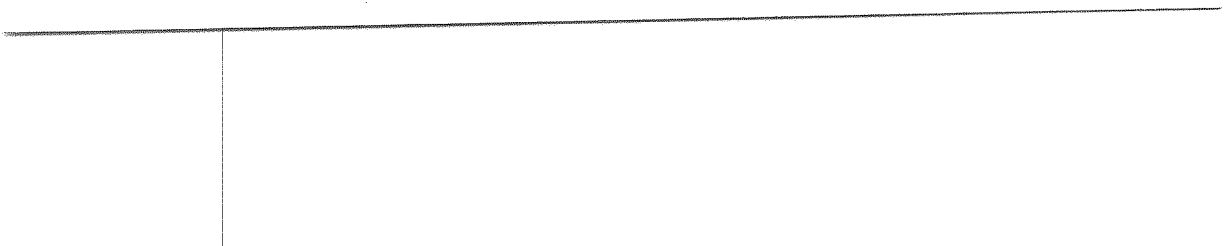
THE BUSH FOUNDATION

The Bush Foundation, established by Mr. and Mrs. Archibald Granville Bush of Saint Paul, Minnesota, was incorporated February 24, 1953, under the Minnesota Nonprofit Corporation Act, to encourage and promote charitable, scientific, literary and education efforts. It is a tax-exempt organization under the laws of Minnesota and the United States.

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

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

During the fiscal year ending November 30, 1978, The Bush Foundation granted financial assistance to eighty-two projects in the United States. The sections which follow the Report of the Chairman of the Board outline the Foundation's major grantmaking interests, describe the Foundation's grantmaking policies and procedures, and list the Foundation's grants in 1978.



REPORT OF THE CHAIRMAN

The Bush Foundation Board of Directors appropriated \$9,681,835 in new grant commitments during 1978, a decrease of about one million dollars compared with the record total established in 1977. Grant payments were \$8,523,182, which was also about one million dollars less than in 1977.

PARTNERSHIP WITH HEWLETT FOUNDATION

Perhaps most significant for The Bush Foundation during 1978 was the agreement reached in February with the William and Flora Hewlett Foundation, Palo Alto, California, to cooperate in expanding a program of alumni challenge grants to stimulate alumni annual giving in historically black four-year colleges in the United States. The initial program, which The Bush Foundation started in 1976, was designed to serve fourteen such colleges. The Hewlett Foundation agreed to contribute \$900,000 of an estimated \$1.5 million which would be needed to extend total Bush-Hewlett coverage to twenty-four colleges. The total cost estimate for serving all twenty-four colleges is \$3.9 million. Colleges eligible to apply for this program are the forty-two current and past members of the United Negro College Fund (UNCF). The Bush Foundation welcomes enthusiastically this opportunity to work with the Hewlett Foundation.

NEW PROGRAMS IN HEALTH

Changes in The Bush Foundation's programs in health grantmaking also were important. During the past three years, the Foundation had cut back existing programs in health grantmaking, and invested extra staff and consultant time in efforts to design new programs. During 1978, the Bush Board authorized a new Bush Clinical Fellows Program, which would provide fellowships lasting from three to twelve months each for rural physicians in Minnesota. To be selected, Fellows would have to demonstrate both a need to improve significant clinical skills, and also a plan for clinical and administrative training directly related to a known health care need in the doctor's

home community. The Board believes that, if it succeeds, this program will have a favorable effect on the quality of health care in rural Minnesota. The Bush Board also approved two major health grants at the University of Minnesota, one to provide scholarships for minority medical students over a four-year period, and one to help start a Health Services Research Center under the direction of Dr. John E. Kralewski. Both the enlargement of the alumni challenge grant program and the new developments in health grantmaking are discussed in the "Program Notes" section of this annual report.

GRANTMAKING OUTSIDE OUR DEFINED REGION

While alumni challenge grants in UNCF colleges and payments to four national university centers under a program in child development and social policy have combined recently to generate significant Bush payments outside Minnesota, the Dakotas, and Chicago — our usual grantmaking region — the Foundation Board retains its view that The Bush Foundation is and should be predominantly a regional institution. The alumni challenge grants and the child development grants represented controlled exceptions to this general policy of regional emphasis. In both cases, the maximum level of out-of-region expenditure in each program was determined in advance by the Board. While this cautious approach towards grantmaking outside our normal region could change, I do not foresee such change in the near future.

CHANGES IN BOARD MEMBERS AND BYLAWS

In January 1978, Judge Edward J. Devitt resigned as a Director of The Bush Foundation. Increased time demands in his judicial calendar made this necessary. At its February meeting, the Bush Board accepted his resignation and adopted the following resolution to commemorate his eleven years of Board service.

"Edward J. Devitt served as a Director of The Bush Foundation from 1967 until 1978. He was Chairman of its Nominating Committee from 1971 until 1978, and Chairman of its Grants Committee from 1976 until 1978. He came to the Foundation at a crucial time, when disagreements within the Board made it difficult for the Foundation to conclude business. His understanding and fairmindedness enabled the Board to function until its reorganization was directed in 1970.

"His experience as an Assistant Attorney General, as a member of Congress, as a Probate Judge, and as a Federal District Court Judge brought a wide perspective and an objectivity to every kind of Bush Board decision. His good humor and generous spirit helped bring consensus without obscuring the difference of individual opinion. His humane concern for all people and for a society which might provide equal opportunity helped shape The Bush Foundation's pro-

grams. On several earlier occasions, he might have wished to leave the Bush Board, but nonetheless agreed to stay on until its period of litigation ended and until its grantmaking programs began to take clearer shape.

"We regret that his period of service to the Bush Board must cease, but are deeply grateful that it has continued so long. He is, at this time, the senior member of the Board as to length of service. We accept his resignation with regret; and we wish him well."

At its June meeting, the Board elected Dr. James P. Shannon of Wayzata, Minnesota, to replace Judge Devitt. Shannon is a lawyer, writer, historian, and foundation consultant. He formerly served as President of the College of Saint Thomas, as Auxiliary Bishop of the Archdiocese of Saint Paul and Minneapolis, and as President of the Minnesota State Junior College System. From 1974 to 1978, he was Executive Director of the Minneapolis Foundation. He is Chairman of the Minnesota Council on Foundations, and author of "The Pilgrim Church" column in the MINNEAPOLIS SUNDAY TRIBUNE.

During 1978, the Board also approved unanimously two changes in the Foundation's Bylaws. One change eliminates the category of three "Family members" of the Board and replaces the Family members with three regular members. The three individual Family members, Harriet Bush Medlin, Hess Kline, and Frank B. Wilderson, Jr., were designated regular members of the Board as soon as the change in the Bylaws was voted. The other change in Bylaws designated new titles for certain Board and staff officers. The senior elected Board officer's title was changed from President to Chairman, and the maximum possible number of consecutive years service in this capacity was lengthened from three to five years. The next-senior Board officers, its Vice Presidents, were changed to Vice-Chairmen of the Board. The chief salaried staff officer's title was changed from Executive Director to President. The assigned responsibilities for these officers were not essentially changed.

Other staff changes occurred in 1978. Kathleen Y. Muske resigned as Executive Secretary. Linda M. Young was promoted to fill this position. Sharon C. St. Germain joined the Foundation as a secretary.

EXTERNAL REVIEW

During 1978, The Bush Foundation continued its efforts to be as accessible as possible to new ideas and to external criticism. The Foundation continued to report new grant authorizations to newspapers and radio and television stations, as well as to The Foundation Center's computer data bank in New York. The Foundation staff continued to make frequent use of consultants and informal advisors in the preliminary appraisal of grant proposals, and in determining what happened later as a result of grants which

were approved. Consultants and advisors again have been particularly helpful to our decisions about whether to enter new fields of activity.

In April 1978, the Board held its biennial two-day grants policy review meeting at the Spring Hill Conference Center. While the main aspects of the Foundation's entire grantmaking program were reviewed, the greatest attention was given to the new programs being proposed in health. Leading the Board's discussion for the first day of the meeting were two consultants and one guest. The consultants were Dr. David E. Rogers, President, The Robert Wood Johnson Foundation and former Dean of the Johns Hopkins University Medical School; and Dr. Robert H. Ebert, President, The Milbank Memorial Fund, and former Dean of the Harvard Medical School. The guest was Senator Charles McC. Mathias (Republican, Maryland), who reviewed current congressional issues in the formation of national health policy. Board members who had also been present at similar policy review meetings in 1974 and 1976 said they believed this outside assistance at the 1978 meeting was the most helpful of its kind we have received.

Finally, The Bush Foundation participated in public meetings on local philanthropy for the third consecutive year, and again found the experience an excellent one. On October 18th, under the joint sponsorship of the Minnesota Council on Foundations and Southwest State University, the Foundation's staff participated in a day of panels and workshops at Southwest State, attended by about 150 persons from the surrounding counties. Other foundations participating in this program included the Otto Bremer Foundation, the Green Giant Foundation, the Jerome Foundation, Inc., the Mardag Foundation, and The Weiner Foundation, Inc.

On November 1st and 2nd, Bush Foundation staff also participated in panels and workshops discussing foundation performance, writing of proposals, and particular grantmaking program issues. About 500 persons attended part or all of the two-day program, which also was sponsored by the Minnesota Council on Foundations. Other participating foundations included the Otto Bremer Foundation, the Dayton Hudson Foundation, the General Mills Foundation, the Jerome Foundation, Inc., The McKnight Foundation, The Minneapolis Foundation, the Northwest Area Foundation, The Saint Paul Companies, Inc., and The Saint Paul Foundation. The participation of such a large and distinguished group of local and regional foundations and corporations in this kind of regular public discussion is indeed an encouraging development for this area.

ELMER L. ANDERSEN
Chairman

were approved. Consultants and advisors again have been particularly helpful to our decisions about whether to enter new fields of activity.

In April 1978, the Board held its biennial two-day grants policy review meeting at the Spring Hill Conference Center. While the main aspects of the Foundation's entire grantmaking program were reviewed, the greatest attention was given to the new programs being proposed in health. Leading the Board's discussion for the first day of the meeting were two consultants and one guest. The consultants were Dr. David E. Rogers, President, The Robert Wood Johnson Foundation and former Dean of the Johns Hopkins University Medical School; and Dr. Robert H. Ebert, President, The Milbank Memorial Fund, and former Dean of the Harvard Medical School. The guest was Senator Charles McC. Mathias (Republican, Maryland), who reviewed current congressional issues in the formation of national health policy. Board members who had also been present at similar policy review meetings in 1974 and 1976 said they believed this outside assistance at the 1978 meeting was the most helpful of its kind we have received.

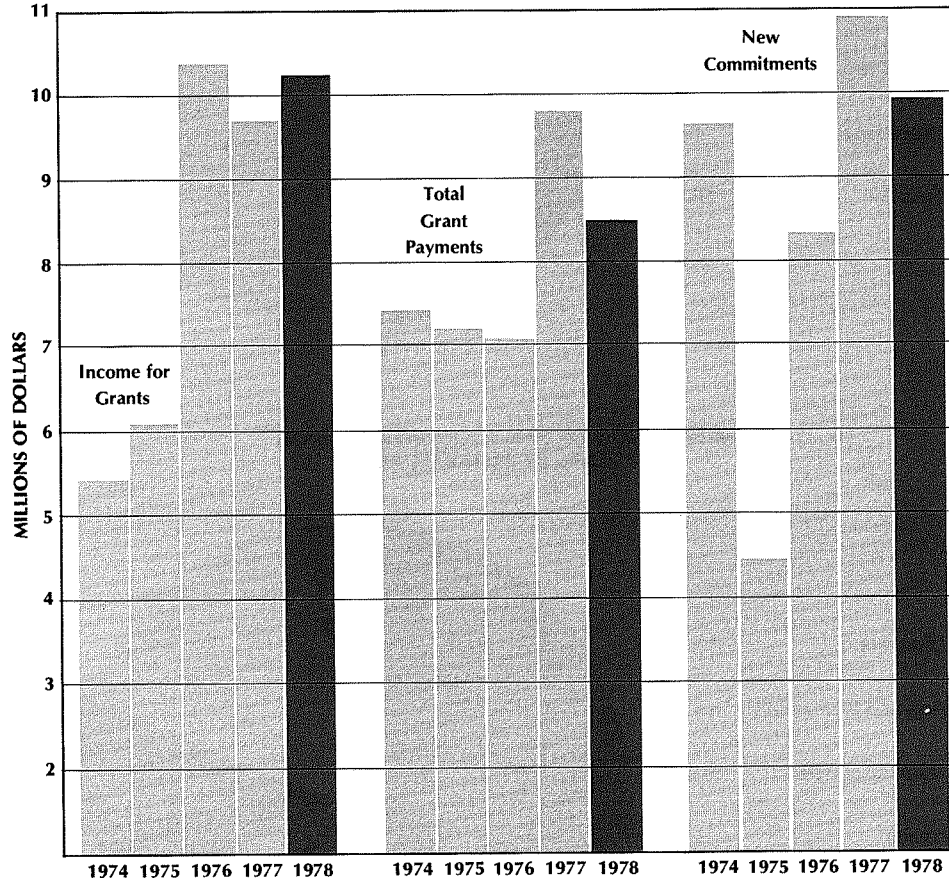
Finally, The Bush Foundation participated in public meetings on local philanthropy for the third consecutive year, and again found the experience an excellent one. On October 18th, under the joint sponsorship of the Minnesota Council on Foundations and Southwest State University, the Foundation's staff participated in a day of panels and workshops at Southwest State, attended by about 150 persons from the surrounding counties. Other foundations participating in this program included the Otto Bremer Foundation, the Green Giant Foundation, the Jerome Foundation, Inc., the Mardag Foundation, and The Weiner Foundation, Inc.

On November 1st and 2nd, Bush Foundation staff also participated in panels and workshops discussing foundation performance, writing of proposals, and particular grantmaking program issues. About 500 persons attended part or all of the two-day program, which also was sponsored by the Minnesota Council on Foundations. Other participating foundations included the Otto Bremer Foundation, the Dayton Hudson Foundation, the General Mills Foundation, the Jerome Foundation, Inc., The McKnight Foundation, The Minneapolis Foundation, the Northwest Area Foundation, The Saint Paul Companies, Inc., and The Saint Paul Foundation. The participation of such a large and distinguished group of local and regional foundations and corporations in this kind of regular public discussion is indeed an encouraging development for this area.

ELMER L. ANDERSEN
Chairman

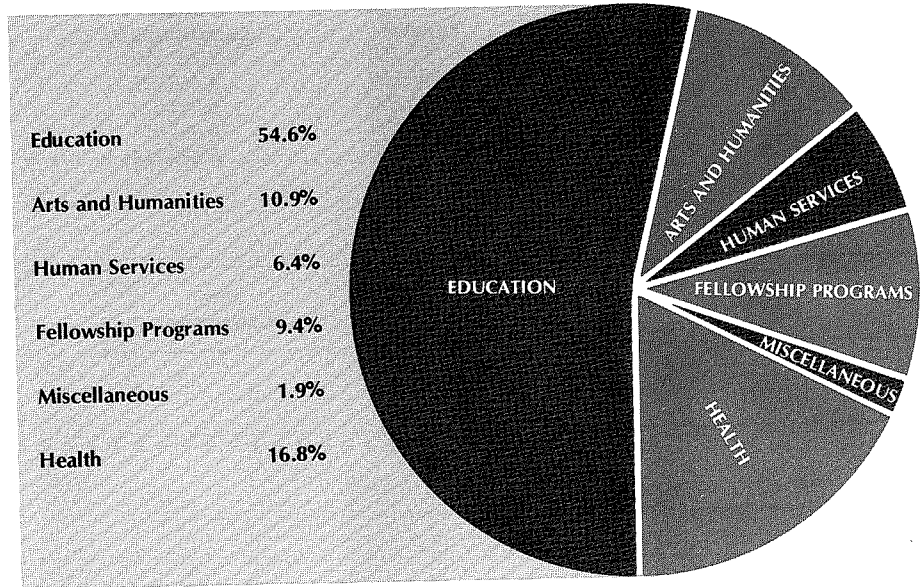
**INCOME FOR GRANTS* COMPARED WITH
GRANT PAYMENTS AND NEW COMMITMENTS 1974-1978**

Year	Income For Grants	Total Grants Payments	New Commitments
1974	\$ 5,412,363	\$7,408,700	\$ 9,707,597
1975	6,042,075	7,285,999	4,466,726
1976	10,366,396	7,101,108	8,313,227
1977	9,758,694	9,879,189	10,963,157
1978	\$10,308,370	8,523,182	9,920,654

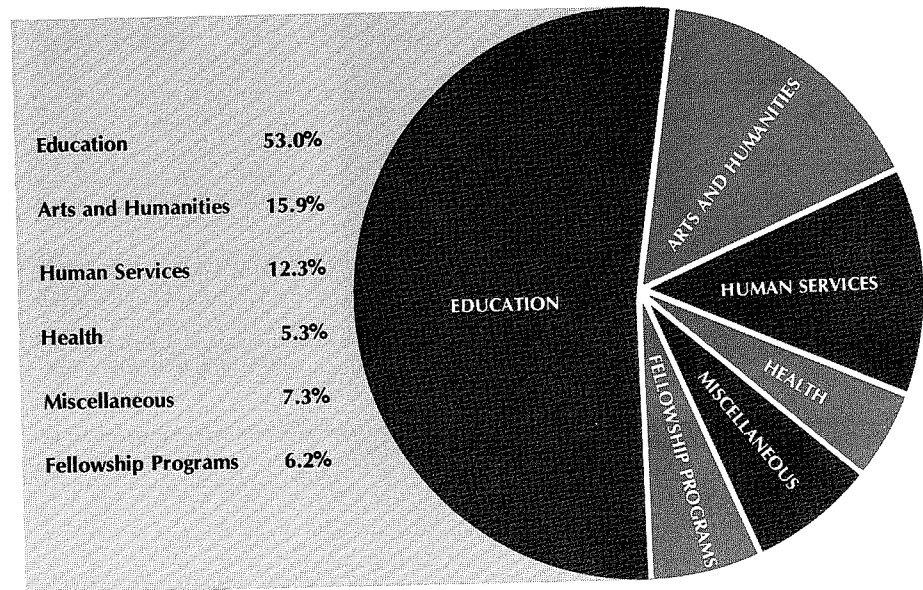


*Income for grants is the greater of net income or minimum investment return as defined by the Tax Reform Act of 1969, less excise taxes, administrative expenses, and investment expenses.

DISTRIBUTION OF 1978 FOUNDATION GRANT APPROPRIATIONS BY PROGRAM AREA

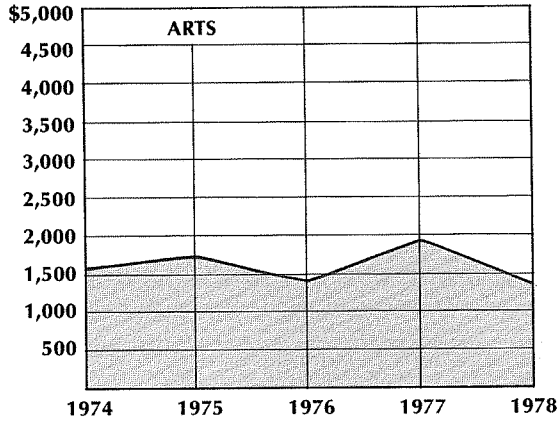


DISTRIBUTION OF 1978 FOUNDATION GRANT PAYMENTS BY PROGRAM AREA

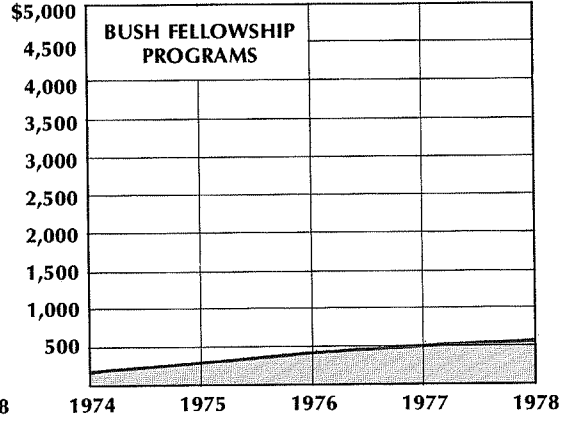
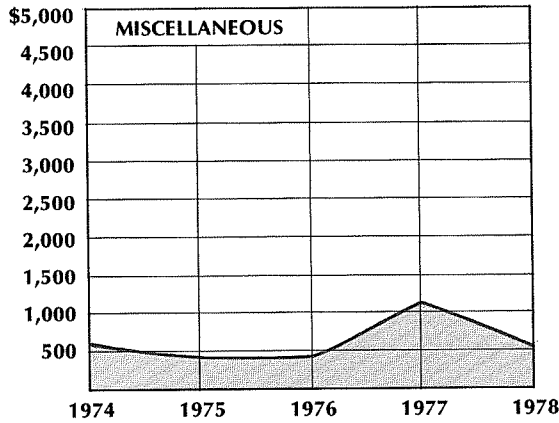
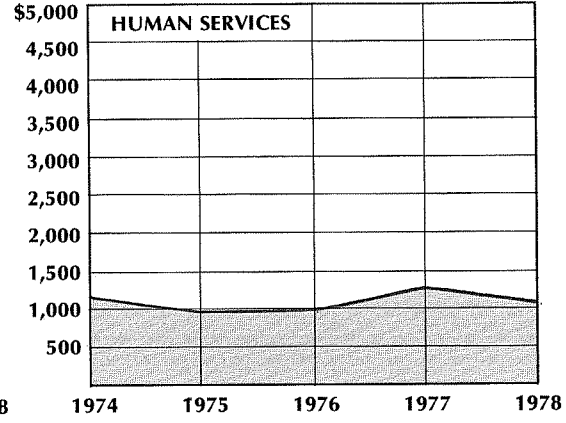
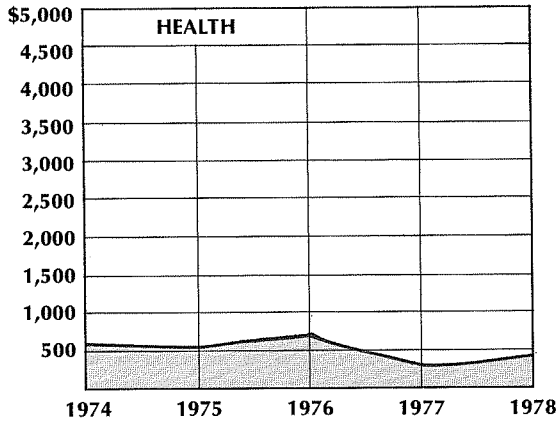
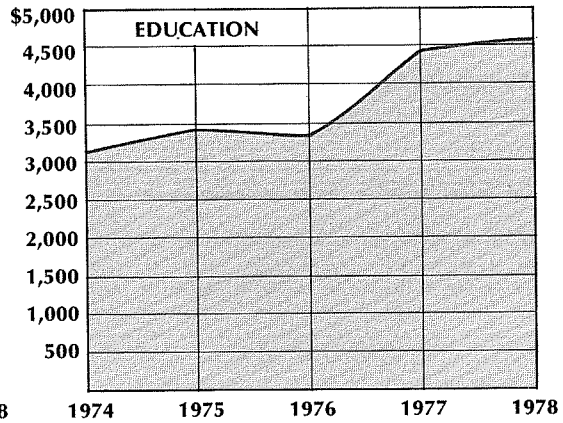


CASH FLOW SUMMARY 1974-1978

(000's Omitted)



(000's Omitted)



	1974	1975	1976	1977	1978
Arts	\$1,558,790	\$1,705,567	\$1,407,550	\$1,888,207	\$1,355,129
Education	3,191,755	3,433,917	3,295,844	4,487,366	4,518,635
Health	602,617	540,412	595,778	348,950	448,903
Human Services	1,177,234	941,268	957,735	1,383,020	1,053,750
Miscellaneous	655,412	393,687	394,370	1,268,924	619,900
Bush Fellowship Programs	222,892	271,149	449,831	502,722	526,865
TOTALS	\$7,408,700	\$7,228,999	\$7,101,108	\$9,879,189	\$8,523,182



--	--

PROGRAM NOTES

In any single year, our work is partly to execute decisions taken in prior years and partly to prepare for future decisions. Only a small part of our work is the consideration and approval of new, turning-point decisions to be made in the current year. However, to the extent that the readers of this report each year are interested in the question, "What's new?", attention naturally moves towards those turning points. The Bush Foundation reached several of them during 1978.

After four years of work by consultants, informal advisors, staff and Board members, the Foundation finally achieved a much clearer consensus of what its health grantmaking emphasis will be for the near future, and also set in place a first round of major grants. These grants provided for a new Bush Clinical Fellows Program, which is designed to give new skills to rural Minnesota physicians and to improve health care in their communities. Another new health grant provided a more comprehensive beginning than otherwise would have been possible for the Health Services Research Center at the University of Minnesota. Other grants in this field appropriated funds for the training of minority medical students at the University of Minnesota and at Meharry Medical College, in Nashville, Tennessee. The percentage of total Bush grants allocated to health programs increased from two percent in 1977 to seventeen percent in 1978.

The Board also authorized a significant expansion of its program of matching grants designed to stimulate annual alumni giving in the member colleges of the United Negro College Fund. Responsibility for expansion was shared by the William and Flora Hewlett Foundation, of Palo Alto, California, which agreed in February, 1978 to provide major support to The Bush Foundation for this program. The rate of new Bush grant authorizations increased sharply in three Bush programs in education: the matching grants to stimulate annual alumni giving; a program of matching grants to help private colleges in Minnesota and the Dakotas complete major capital fund drives; and a program establishing four centers in child development and public policy at major universities in the east, south, midwest and far west. Even though appropriations decreased in other education grantmak-

ing programs, the 1978 total of new appropriations in education again exceeded half of the Foundation's annual total of new authorizations.

These new developments are described in the following paragraphs, along with other elements of change and perspective in the arts, in human services, and in the Foundation's fellowship programs.

HEALTH

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

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

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

This statement appears to define the direction of the Foundation's health grantmaking in the near future. In 1978, the Foundation also approved three major grants which reflect these interests.

BUSH CLINICAL FELLOWS PROGRAM

In October, 1978 the Foundation began the Bush Clinical Fellows Program. This program will provide selected rural Minnesota physicians in mid-career with an opportunity to pursue individually-designed programs of study which are firmly rooted in the health needs of their individual communities. Most approved programs will be for three to twelve months. They will usually include clinical study at a major teaching center and also study to improve administrative, planning and leadership skills. The Program seeks to improve the quality of health care in individual communities; to develop individual rural physicians' potential for leadership and inventiveness in clinical medicine, health care delivery, administration and education; and to improve the linkages between rural communities and health training institutions. There are many specialized short-term continuing education courses for physicians. But there are few opportunities for practicing physicians to

undertake longer periods of intensive study in areas in which their clinical skills have not kept up with current practice.

The program also should help rural physicians become better prepared to assume leadership positions in the planning and administration of health care services in their individual communities. Physicians are the gatekeepers of the health care system. The ways in which they practice affect directly the availability, cost and quality of health care services. It seems clear that a larger proportion of rural physicians should have more training and experience to provide leadership on community health planning issues and concerning the management of health care facilities.

The Bush Clinical Fellows Program will provide an opportunity for up to fifteen physicians per year to develop skills that would enable them to play an effective role in analyzing and helping to solve health problems facing their communities. On October 25, 1978 the Foundation appropriated \$270,000 for the first class of Bush Clinical Fellows, which will be selected in May, 1979. Similar appropriations are anticipated annually for two more classes. Following the selection of the third class of fellows, the Foundation plans an evaluation of the Program, including reviews by outside consultants. That evaluation will be considered in deciding if the Program will continue beyond selection of a fourth class of Bush Clinical Fellows.

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

The Bush Clinical Fellows Program is administered by Douglas A. Fenderson, Ph.D., a consultant to The Bush Foundation. Fenderson is assisted by the Bush Clinical Fellows Policy Board. The members of this group are listed below:

POLICY BOARD

Bush Clinical Fellows Program

John Archabal, Saint Paul, Minnesota
Lloyd G. Bartholomew, M.D., Rochester, Minnesota
John G. Berstrom, M.D., Cokato, Minnesota

Edward W. Ciriacy, M.D., Minneapolis and Ely, Minnesota
Beverly G. Finholt, Northfield, Minnesota
Richard W. Fitzsimons, Moorhead, Minnesota
George W. Knabe, Jr., M.D., Virginia, Minnesota
Raymond J. Lindeman, M.D., Paynesville, Minnesota
George B. Martin, M.D., Thief River Falls, Minnesota
Leonard M. Schuman, M.D., Minneapolis, Minnesota
Stephen D. Sommers, M.D., St. Cloud, Minnesota

Further information about the program is available from The Bush Foundation or from:

Douglas A. Fenderson
Executive Secretary
Bush Clinical Fellows Program
Box 293
Mayo Memorial Building
420 Delaware Street, S.E.
Minneapolis, Minnesota 55455

CENTER FOR HEALTH SERVICES RESEARCH

The University of Minnesota established the Center for Health Services Research in 1977. Under the direction of John E. Kralewski, Ph.D., the Center is developing a program of interdisciplinary studies and technical assistance that seeks to improve the effectiveness and efficiency of the health care delivery system in Minnesota. Among the Center's first questions for inquiry are:

How effective are various kinds of medical group practice arrangements?

What are current and projected health manpower needs in the upper midwest?

How effective are the various alternative ways of providing long-term health care?

How can increasing hospital costs be contained?

Kralewski also hopes the Center can assist the Minnesota Legislature, the Minnesota Department of Health and other public and private agencies with careful analysis of public policy issues in health.

FELLOWSHIPS FOR MINORITY MEDICAL STUDENTS

In February, 1978 The Bush Foundation approved a grant of \$1,000,000 to be paid over four-years to provide fellowships for minority medical students at The University of Minnesota. Since 1969 faculty and administrators

of the University of Minnesota Medical School have believed that as a national medical training institution the University has a responsibility to make a special effort to recruit and train minority persons for medical careers. This effort has required recruitment of minority students who are not Minnesota residents, who must pay significantly higher tuition fees than those paid by resident students and who usually bring with them significantly higher levels of past indebtedness than nonminority students. To overcome the reluctance of many minority students to incur significant indebtedness for their medical educations, the University has found it necessary to provide minority students with a higher proportion of scholarship aid than it has made available to nonminority students. Support for this effort has come from a variety of public and private sources. In recent years, the University has found it increasingly difficult to raise funds for this effort at the levels it believes necessary. The Bush grant will help the University continue to provide minority students with a greater proportion of scholarship aid during a transition period. After four years, however, the University expects to provide similar proportions of grant and loan aid to medical students in the same financial circumstances, regardless of race.

ALUMNI CHALLENGE GRANTS

The Bush Foundation in 1972 originated a program of annual alumni fund matching grants in sixteen private colleges in Minnesota and the Dakotas. The Foundation matched increases in receipts in the colleges' alumni funds on a dollar-for-dollar basis and also provided incentives to increase the number of alumni donors. Although grants are made on an annual basis, a series of grants at each participating college typically lasts at least two and not more than five years. Upper Midwest colleges which participated in this program have, on the average, doubled the dollar amount of alumni annual gifts and doubled the number of donors within three or four years.

In 1976, The Bush Foundation began to export this Upper Midwest alumni challenge grant experiment, initially expecting to work with about fourteen of the forty-two present or former member colleges of the United Negro College Fund, Inc. (UNCF). These historically black private colleges form a network of respected, minority-led institutions with an unusually significant record of service to the nation. They need additional funds, preferably in ways that will help create greater financial independence in the long run.

Performance of the UNCF colleges with these challenge grants during the first two years of this experiment has been impressive. A summary of performance follows:

**Alumni Fund Performance Summary (Through 1977-78)
for Nine UNCF Colleges With
Alumni Challenge Grants**

College	Number of Years of Participation In Bush Challenge Grants	Percent Increase In Dollar Receipts Since Beginning Challenges	Percent Increase In Alumni Donors Since Beginning Challenges
Paine College	2	147%	183%
Tougaloo College	2	119	166
Xavier University of Louisiana	2	137	162
Bennett College	1	82	53
Fisk University	1	23	65
Saint Augustine's College	1	52	55
Spelman College	1	109	39
Tuskegee Institute	1	146	56
Wiley College	1	42	35

In February, 1978, The William and Flora Hewlett Foundation, Palo Alto, California, agreed to cooperate in a major expansion of this program. The Hewlett Foundation will contribute \$900,000 of an estimated \$1.5 million needed to expand the program's coverage. The initial Bush program, which was designed to serve fourteen UNCF colleges, will expand to a new joint Bush-Hewlett total of twenty-four colleges. The total cost estimate for serving all twenty-four colleges is \$3.9 million during the period from 1976 to 1985.

Following are other major consequences of the February, 1978 agreement between the two foundations:

New UNCF colleges will be added to the program in 1979 and probably in 1980.

The Bush Foundation will consult with the Hewlett Foundation concerning policy and major administrative decisions, but will retain final responsibility for administering the program and for selecting which colleges will participate.

Beginning with alumni challenge grants for the 1978-79 academic year, Bush and Hewlett funds in this program are pooled, so that both new entrants to the program and the colleges already enrolled will receive funds originating from both Hewlett and Bush.

To simplify administration, Hewlett will make three annual payments of \$300,000 each to Bush; final payments to colleges then will be made by Bush.

Roger W. Heyns, President of The William and Flora Hewlett Foundation, said: "We look forward to this partnership with The Bush Foundation. It gives us a chance to help strengthen an extremely important sector of U.S. higher education, and yet to do so without immediately placing heavy time demands on our new program staff."

Elmer L. Andersen, Chairman of The Bush Foundation, said: "This is the first major program which Bush attempted to conduct outside of Minnesota, the Dakotas, and Chicago, our stated geographic region. After two years of

initial operation we find the program has been more successful than we estimated at first, and therefore more expensive. Grants to the first fourteen UNCF colleges entering the program will probably cost about fifty percent more than originally projected. This participation by the Hewlett Foundation makes possible a timely and worthwhile expansion of the program's coverage."

In June, 1978, Bush-Hewlett funds provided renewal grants to all of the colleges whose performance is summarized above, and also to eight new participants: Atlanta University, Dillard University, Livingstone College, Miles College, Rust College, Johnson C. Smith University, Talladega College, and Wilberforce University. The eight new participants were selected from among fifteen final applications. Our early estimate for 1979 is that, in addition to renewal grants, Bush-Hewlett funds will be available to begin new challenge grant cycles in five or six more UNCF colleges.

CHALLENGE GRANTS FOR COLLEGE CAPITAL FUND DRIVES

Since the beginning of its regional program of matching grants for capital fund drives in private colleges, The Bush Foundation has authorized the following individual grants:

College	Amount Approved	Year	Purpose
Carleton College Northfield, Minnesota	\$800,000	1976	Endow library acquisitions
Augsburg College Minneapolis, Minnesota	\$340,000	1977	Contribute to fund drive for music building and other renovations
Gustavus Adolphus College St. Peter, Minnesota	\$600,000	1978	Endow library acquisitions and add to unrestricted endowment
Saint Olaf College Northfield, Minnesota	\$800,000	1978	Endow library acquisitions and library operating costs
Mary College Bismarck, North Dakota	\$125,000	1978	Unrestricted endowment

The Foundation also approved in 1978 a matching grant of \$300,000 to help complete the William Hood Dunwoody Institute's \$6.1 million capital fund drive.

The reasoning underlying this program is closely related to the special demographic pressures which are beginning to affect higher education, and to a judgment about how the Foundation's spending pattern should be re-cast to meet these circumstances. During 1974, the Minnesota Higher Education Coordinating Commission projected that the number of Minnesota high school graduates will reach an historic peak of about 75,000 in 1979, then average only about 60,000 during the 1980's, and then move to a low of about 50,000 by the end of the decade. Finally, during the 1990's this

trend will once more turn back towards the present levels. Projections for North and South Dakota appear equally severe. While some of the accredited four-year private colleges in this region may be able to maintain their present enrollment levels despite the shrinkage in the basic student market, others probably will not. The basic population trends represent the first prolonged general shrinkage of college enrollments in the nation's history.

In November, 1975, The Bush Foundation staff surveyed informally the future plans of sixteen Minnesota private college presidents. All had considered these population trends. Most expect their colleges will encounter serious pressures in their operating budgets during the 1980's. Accordingly, they expect the 1980's may be unusually difficult years in which to seek major capital funds. If significant improvement in endowment or physical plant is to be made during the next fifteen to twenty years, the majority believes that the late 1970's and perhaps early 1980's is the time to try. These responses, taken together, signaled an important but temporary shift in the fundraising priorities for these colleges. This shift also is taking place in many private colleges across the nation.

Unlike the capital fund drives of the 1960's which often enlarged enrollment capacity, the drives of the late 1970's concentrate either on raising endowment which will help restore health to operating budgets, or upon funds to renovate old buildings which still are serviceable. Some portion of the funds, however, will go to new special purpose construction for better library, arts or athletic facilities.

In April, 1976, the Bush Board indicated that for the following seven years it would be willing to consider proposals for matching capital grants from accredited four-year private colleges in Minnesota and the Dakotas. Ordinarily, these requests will not be considered until a college has completed at least half the final goal of its announced fund drive. Requests for this purpose are considered on a case by case basis, giving particular attention to the underlying quality of planning in each instance. Individual grants have ranged in size from \$125,000 to \$800,000, depending on the total size of the fund drive, the estimated availability of matching funds from other sources, and the nature of the plan which the college is attempting to complete. The estimated average grant size is about five percent of the total amount of capital funds sought by a participating college, although the percentage in any individual instance may be different.

The matching incentives follow one of two different patterns, depending upon the fundraising strategy which best fits an institution's circumstances. Usually, The Bush Foundation has agreed to match gifts or firm pledges received after a particular starting date, and prior to a specified deadline. The Foundation matches on a dollar-for-dollar basis, or perhaps upon a different ratio if this seems preferable. The sources of outside gifts which are matching-eligible for Bush funds usually include trustees, alumni, faculty, parents, students, and individuals with a significant prior history of

giving to the college. In this way, the matching effect of the Bush grant is confined to a college's closest-established constituencies, and not to corporations, foundations or government.

A second possible pattern provides for payment of the Bush grant upon completion of the other parts of the announced fund drive, and prior to an agreed-upon deadline. This may be preferable if the institution wishes to accelerate completion of a fund drive, or if it feels that the matching eligibility requirements of the first method are too restrictive. The grant to Dunwoody Institute represented this approach.

The Bush Foundation expects to consider several more such proposals in the period from 1979 through 1983, when the program probably will cease.

CHILD DEVELOPMENT

In 1978, new Bush Foundation appropriations in the field of child development totaled \$2,213,289. This represents a forty-two percent increase over the corresponding 1977 figure. The major part of this increase reflects expansion of the Bush network of Centers in Child Development and Public Policy. Begun in 1977 with a five-year grant of \$674,415 to Yale University, New Haven, Connecticut, the program is designed to provide pre-doctoral and post-doctoral training in this joint field to students at four universities located throughout the United States. The 1978 grants include \$684,574 to the University of Michigan, Ann Arbor, \$675,046 to the University of California at Los Angeles (UCLA), and \$661,381 to the University of North Carolina, Chapel Hill. Each of these grants covers a five-year period.

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

Preliminary plans for joint activities of these four centers include development of a newsletter and sponsorship of conferences and publications dealing with child-related public policy issues. In November, 1978, a conference on child abuse was held in Philadelphia sponsored jointly by Yale's Bush Center in Child Development and Public Policy and the Annenberg School of Communications at the University of Pennsylvania.

Other 1978 Bush grants in the field of child development supported exemplary parent education programs. A one-year grant of \$111,605 was

made to the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in South Dakota. These funds will be used to support trained Indian staff members who will counsel reservation families with children under three years of age. The program assists parents to provide activities which improve the intellectual and social development of their young children prior to enrollment in local Headstart programs or elementary schools. The Sisseton-Wahpeton Sioux Tribe hopes to obtain federal support for the continuation of this program in 1979-80.

The Foundation also provided \$67,000 to Minnesota Early Learning Design to help continue its parent education program in Minneapolis.

In 1979, the Foundation staff will continue to explore new approaches to parent education in our geographic region as well as to expand joint network activities in the new Child Development and Public Policy program.

ARTS AND HUMANITIES

From 1969 through 1977 The Bush Foundation appropriated \$11,303,906 to arts and humanities organizations, primarily in the Twin Cities. That support, which grew rapidly to about \$2 million per year, occurred while the Foundation's assets were increasing and while the budgetary scale of the major arts organizations in the region also was increasing.

By 1974, the Foundation had become the largest single local source of support apart from earned income for a few of the major arts organizations in this community. To assess the scale of the arts economy of which the Foundation was a part, the Foundation conducted two financial studies of local arts organizations. The first, completed in early 1972, was a general survey of arts activities in Minnesota. It included a detailed review of budget and other operating data from those four major arts organizations which had participated in the Ford Foundation's economic survey of the performing arts. This survey showed that while aggregate attendance and ticket income had grown steadily by about two percent per year from 1966 to 1970 for the four major performing arts organizations, their expenses had increased by about ten percent per year. Contributed income from local foundations, individuals and businesses had tripled, but even that surge of local support did not prevent a sharp increase in net deficits during that period. If one made a linear projection of those deficit trends into the future, it produced worrisome results.

The second study, completed in December, 1973, sought five-year projections from eleven professional performing arts organizations and museums in the Twin Cities.

These organizations also agreed to provide recent historical data, and to provide projections of financial and operating plans from 1972 through 1977. The projections were based on the best available assumptions about the future, but no one viewed them as either predictions or firm operating

plans. Finally, last year, the Foundation compared the actual 1972-1977 history with the original projections. To no one's great surprise, the programming and financial lives of the participants proved very different from the projections. The projections in the second survey proved to have been much gloomier than actual experience.

The largest difference between the actual 1972-1977 histories and the projections for those years was that aggregate operating costs, earned and unearned income were all substantially higher than projected. The increase in operating costs proved to have been underestimated because programs expanded more rapidly than projected, and because the rate of inflation was approximately double what had been anticipated. Donors, particularly foundations and government sources, also contributed more money than the arts organizations had anticipated.

Other unexpected differences between projections and results were the rates of growth of actual attendance and of earned income for the performing arts organizations. The Foundation earlier had questioned whether the projected aggregate average rate of attendance growth of about 5.6 percent per year for the performing arts organizations was reasonable, since it was more than double the rate for the previous four years. However, the aggregate rate of growth for the seven performing arts organizations actually averaged 16.2 percent per year. That growth resulted not only from expanded numbers of performances, and thus greater capacity, but from an increased percentage of the greater capacity being sold. Because the metropolitan population has remained roughly the same during the past five years, we estimate that more different people are attending these performances and events.

Along with the increased attendance came increased aggregate earned income, which paid for a higher percentage of operating costs. The increases in all sources of income by the end of the study period had produced organizations which were in the aggregate financially healthier than at the beginning of the period.

As we look back at the Foundation's arts study, we conclude again that the most helpful result of the study was the process itself. It provided an opportunity for the Foundation to learn in greater detail about the management of arts organizations. More of the participating organizations now try to project their future operations further than the next fiscal year. The financial future of these arts organizations, however, again looks gloomy. Attendance growth appears to have leveled off, and costs in an inflationary economy continue to rise sharply. Whether these organizations all at once can slow down their real and inflation-induced rates of growth, continue to attract large audiences and increasing contributions, and grow artistically remains a difficult combination of questions.

The Foundation plans in 1979 to review its grantmaking activities in the arts and also to continue to try to estimate its impact in this changing field.

HUMAN SERVICES

More so than in other grantmaking areas, The Bush Foundation's work in human services has tended to be on a case by case basis. The Foundation has not developed the broad, predictive program guidelines which sharply emphasize one kind of activity over another or which signal what next year's emphasis will be. On several occasions we have tried unsuccessfully to develop broad guidelines that would add greater clarity and predictability to our work in the human services without sacrificing the flexibility which also seems important in this area. Perhaps it is unusually difficult to develop a general rationale because the field of human services includes so many kinds of activities — ranging from youth employment programs to care for the aged to protecting battered women — that it is hard to develop any comprehensive approach. Perhaps the knowledge of which strategies really work in many of these human service sub-fields seems less certain than is true for symphony orchestras or for undergraduate colleges or for training physicians. Or perhaps we may be less skillful in this area than in others. For whatever reason, it may be easier to understand The Bush Foundation's work in human services by examining how we approach individual proposals than by examining the pattern of our grants in the field as a whole or in any of its major segments.

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

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

Despite the basic case by case approach, some patterns also have emerged. Our new grant authorizations in human services have remained exclusively within our stated geographic region since 1974. The purposes served by our grants have varied broadly: programs for disadvantaged youth, for chemically dependent people, for handicapped people, and old people and for many other groups with specific needs. Most of our grants were approved either for starting new programs or for construction projects, although single annual appropriations for the United Way of the Saint Paul Area help sustain the operating budgets of its member agencies. The Foundation has generally been reluctant to provide continuing unre-

stricted operating support for single agencies or programs. At least for the coming year it seems reasonable to expect these patterns will continue.

BUSH LEADERSHIP FELLOWS PROGRAM

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

In 1973, The Bush Foundation added a new program of Bush Summer Fellowships to the regular Bush Leadership Fellows Program. The Summer Program offers study opportunities ranging from three to ten weeks in length, and does not include the internship element.

In 1974, the Foundation voted to expand the Program beyond Minnesota, to include candidates from North Dakota, South Dakota, and the twenty-six counties in northern and western Wisconsin that lie within the Ninth Federal Reserve District.*

The Board authorized expenditure of \$638,400 for stipends, tuition, and project expenses connected with the 1978 Fellowships.

Twenty-two individuals received 1978 Bush Leadership Fellowships and twenty-seven received Bush Summer Fellowships. The Fellows represent the fields of arts administration, business, education, government, health care, law, law enforcement, social work, theology, and trade unionism — continuing a diversity of career background which has characterized the Program since its inception. A clear majority of the selected Fellows emphasized some aspect of administration and management during their study and internship.

The Program is unusual in design and appears to be producing worthwhile results. These observations come from the Foundation's own evaluations of the Program and from reports from the universities attended. Inquiries concerning the Program may be directed to Bush Leadership Fellows Program (Donald Peddie, Program Director), P.O. Box 15125, Minneapolis, Minnesota, 55415.

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

Following is a list of individuals selected in 1978 to receive Bush Leadership Fellows and Bush Summer Fellows awards.

1978 BUSH LEADERSHIP FELLOWS

Name and Residence	Employment at the Time of Selection for Fellowship (1978-79 Study Site in Parentheses)
Eugene E. Abbott Crookston, MN	Executive Director, NW Regional Development Commission, Crookston (Harvard University)
Mary E. Athey Forest Lake, MN	Assistant Principal, Forest Lake Senior High, Forest Lake (Harvard University)
Robert H. Boyd Minot, ND	Principal, Magic City High School, Minot (University of North Dakota)
Mirt D. Brown Jamestown, ND	Project Director, James River Senior Citizens Center, Inc., Jamestown (Jamestown College)
Rev. Leland V. Eliason Saint Paul, MN	Assistant to Dean/Director, Field Education, Bethel Seminary, Saint Paul (Boston University)
Eber L. Hampton, Jr. Minneapolis, MN	Director, The Neighborhood Center, Minneapolis (Harvard University)
Bruce A. Hendrickson Ashland, WI	Mayor of Ashland, Wisconsin (Harvard University)
Sharon A. Hofland Brookings, SD	Assistant Professor, College of Nursing, South Dakota State University, Brookings (University of Washington)
Karen L. Hornung Huron, SD	Assistant Professor, Gerontology and Adult Education, Huron College, Huron (University of Nebraska)
Rt. Rev. Walter H. Jones Sioux Falls, SD	Bishop, Episcopal Diocese of South Dakota, Sioux Falls (Nashotah House, Nashotah, Wisconsin)
Judith S. Kaplan Duluth, MN	Assistant Dean, School of Social Development, University of Minnesota-Duluth (Harvard University)
G. E. Thomas McCarver Winona, MN	Vice President, Student Development, Saint Mary's College, Winona (Harvard University)
Mary Anne McClure Redfield, SD	State Senator, Pierre (Syracuse University)
Jack R. Morris Saint Paul, MN	President, Peterson-Morris, Inc., Saint Paul (Stanford University)
J. Michael Podawiltz Saint Cloud, MN	Executive Director, Housing and Redevelopment Authority of Saint Cloud, Saint Cloud (Syracuse University)
Shelton M. Rucker Minneapolis, MN	Assistant Principal, North High School, Minneapolis (Selection of specific study program has been deferred)
Christopher J. Siegler Rosebud, SD	Program Development Manager, Indian Health Develop- ment, Inc., Rosebud (University of Montana)
Rosa A. Smith Saint Paul, MN	Assistant Principal, Highland Park Senior High, Saint Paul (Selection of specific study program has been deferred)

Name and Residence**Employment at the Time of Selection for Fellowship**
(1978-79 Study Site in Parentheses)

Robert J. Teeling
Saint Paul, MN
Consultant, Mental Retardation, Minnesota Department of Education, Saint Paul
(Syracuse University)

Shirley L. Utzinger
Marshall, MN
Social Service Supervisor, Region VIII North Welfare Department, Marshall
(University of Minnesota)

Flo A. Wiger
Fargo, N.D.
Director, Support Services, Native American Program, University of Illinois, Chicago Circle
(University of Minnesota)

Judith A. Yates
Rochester, MN
Director of Nursing Education, Methodist Hospital, Rochester
(University of Minnesota)

1978 Bush Summer Fellows

Melvin B. Aanerud
Minneapolis, MN
Business Development Specialist, Small Business Administration, Minneapolis
(McBer and Co., Boston, Massachusetts)

Barbara Best
Minneapolis, MN
Manager, Dietary Specialty Products, General Mills, Inc., Minneapolis
(Stanford University)

Rev. M. Larry Dahlstrom
Rapid City, SD
Senior Pastor, Calvary Lutheran Church, Rapid City
(Stanford University)

John E. Derby
Belcourt, ND
Teacher Supervisor/Assistant Principal, Turtle Mountain Community High School, Belcourt
(University of North Dakota)

Richard J. Dethmers
Saint Paul, MN
Regional Coordinator, Minnesota State Planning Agency, Saint Paul
(Advisory Committee on Intergovernmental Relations, Washington, D.C.)

Carol E. Dorgan
Saint Paul, MN
Associate Executive Director, Planned Parenthood of Minnesota, Saint Paul
(Simmons College, Boston, Massachusetts)

Duane R. Dornheim
Grand Forks, ND
Director, Outreach Program, Center for Human Development, Grand Forks
(Philadelphia Child Guidance Clinic and California Family Study Center)

John G. Dumonceaux
Bismarck, ND
Principal, Saint Mary's Central High, Bismarck
(Northern State College)

George H. Frein
Grand Forks, ND
Associate Professor and Chairman, Religious Studies, University of North Dakota, Grand Forks
(C. G. Jung Institute, San Francisco, California)

John J. Galles
Saint Paul, MN
Journeyman Electrician, Muska Electric, Saint Paul
(Harvard University)

Lila F. Jacob
Minneapolis, MN
Education Director, Children's Theatre Company and School, Minneapolis
(Harvard University)

G. Eldon Lober
Windom, MN
Land Surveyor/Surveys Supervisor, Minnesota Department of Transportation, Windom
(University of Minnesota)

Eugene L. Mainen
Saint Paul, MN
Technical Market Supervisor, 3M Company, Saint Paul
(Selection of specific study program has been deferred)

Nina L. McGuire
Edina, MN
Director, C. G. Rein Galleries, Edina
(Selection of specific study program has been deferred)

Name and Residence	Employment at the Time of Selection for Fellowship (1978-79 Study Site in Parentheses)
B. E. McPherson Minneapolis, MN	Senior Vice President, Saint Mary's Hospital, Minneapolis (Harvard University)
Celia S. Miner Yankton, SD	Director, Interdisciplinary Studies, Mount Marty College, Yankton (Harvard University)
Mary H. Morris Minneapolis, MN	Director, Center for Separated/Divorced, Catholic Charities, Minneapolis (Gestalt Institute, Cleveland, Ohio)
Jay D. Myster Fergus Falls, MN	Corporate Secretary and General Attorney, Otter Tail Power Company, Fergus Falls (Selection of specific study program has been deferred)
Elizabeth H. Nash Minneapolis, MN	Assistant Professor, Theatre, University of Minnesota, Min- neapolis (Harvard University)
Rev. Robert A. Olson Wahpeton, ND	Associate Pastor, Bethel Lutheran Church, Wahpeton (University of Minnesota and Hillhaven Hospice)
Joyce T. Povlacs Huron, SD	Coordinator, Title III/Faculty Development, Huron College, Huron (Bryn Mawr College)
Rev. James D. Russell Winona, MN	Catholic Priest, Winona (Notre Dame University)
Edward A. Schuck Minneapolis, MN	Director of Technical Operations, Medtronic, Inc., Minneap- olis (Stanford University)
David J. Simondet Bemidji, MN	Chief of Police, Bemidji (National Crime Prevention Institute, Louisville, Kentucky)
John G. Skogmo Minneapolis, MN	Assistant Vice President, Northwestern National Bank of Minneapolis, Minneapolis (Cornell University)
William E. Thoms Grand Forks, ND	Associate Professor, School of Law, University of North Da- kota, Grand Forks (Columbia University)
Maxine J. Vestre Minot, ND	Instructor, Trinity School of Nursing, Minot (North Texas State University)

BUSH PUBLIC SCHOOL EXECUTIVE FELLOWS PROGRAM

The third annual group of twenty-five Bush Public School Executive Fellows was selected in May, 1978 to enter this training program.

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

The curriculum emphasizes management skills, labor relations, and long range planning for school districts. Professor John J. Mauriel of the University of Minnesota Graduate School of Business Administration directs the academic program, which is administered by the Minnesota Association of School Administrators.

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

Following is a list of the individuals selected in 1978 to receive Bush Public School Executive Fellows awards:

BUSH PUBLIC SCHOOLS EXECUTIVE FELLOWS 1978-1979

Name	Title	School District
Andersen, Donald T.	Superintendent	St. Charles, MN
Baker, Richard M.	Superintendent	Fergus Falls, MN
Benson, Loren L.	Director of Public Personnel Services	Hopkins, MN
Block, Robert E.	Superintendent	Eden Valley, MN
Cullen, Michael T.	Director of Area Vocational Technical Institute	Willmar, MN
Doty, Kenneth J.	Superintendent	West Concord, MN
Fure, Wilmer F.	Superintendent	Sauk Rapids, MN
Gavenda, James L.	Director Elementary Instruction and K-12 Program	St. Louis Park, MN
Harris, Larry E.	Assistant Superintendent	Minneapolis, MN
Kaner, Marshall S.	Associate Superintendent	Minneapolis, MN
LeBoutillier, Gordon T.	Superintendent	Hills-Beaver Creek, MN
Likness, Virgil D.	Superintendent	Madison, MN
Lochner, Darwin J.	Superintendent	Janesville, MN
Luoma, Ronald A.	Superintendent	Hill City, MN
Martinsen, Ralph W.	Superintendent	Comfrey, MN
McDaniel, Ellein C.	Superintendent/ Elementary Principal	Welcome, MN
Miller, Norman R.	Superintendent	Spring Valley, MN
Murray, Gladys P.	Director, Special Services	Spring Lake Park, MN
Norsted, Roger M.	Superintendent	Cloquet, MN
Patton, Randall H.	Superintendent	Long Prairie, MN
Rehwaldt, Reynold J.	Assistant Superintendent Instructional Services	Roseville, MN
Shaw, Glen D.	Executive Director Educ. Coop. Service Unit	Marshall, MN
Thompson, Gary J.	Superintendent	Ogilvie, MN
Trochlil, Bennett L.	Superintendent	Waseca, MN
Young, George P.	Superintendent	St. Paul, MN

BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS

The Bush Foundation Fellowships for Artists permits selected individuals to set aside concentrated time for their work, and to increase the quality

and pace of individual career development. Short-term Bush Foundation support can be used to complete an artistic project, to meet an artistic goal, or to advance generally a professional artistic career.

The third group of Bush Artist Fellows was selected from 132 original applicants in March 1978. The artists selected are:

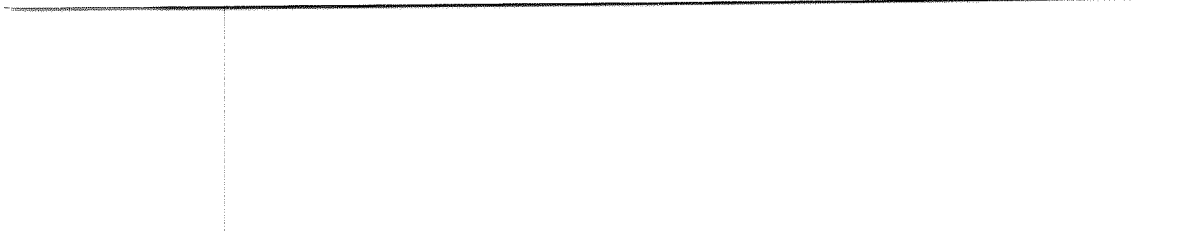
Joseph Aiken, sculpture, Minneapolis
Robert Bly, poetry, Madison
Susan Fiene Brown, sculpture, Minneapolis
Alvaro Cardona-Hine, poetry, Saint Paul
Keith Harrison, poetry, Northfield
Linda Klosky, filmmaker, Minneapolis
Philip Ogle, sculpture, Saint Paul
Richard Weise, filmmaker, Minneapolis
James White, poetry, Minneapolis

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

Stipends for the 1978 Fellows were \$833 per month for up to twelve months, or a total possible stipend award of \$10,000 for a twelve to eighteen month Fellowship period. The program also provided limited additional funds for travel and project costs which were met by Fellowship holders in connection with their work. The total amount of stipends and project costs authorized for the 1978 Fellowships was \$96,000.

The Foundation appropriated \$140,000 for eight Fellowships to be awarded in 1979, increasing the stipend amount to \$1,000 per month or a total award of \$12,000 for a twelve to eighteen month Fellowship period. Application and selection criteria will remain unchanged from the previous years.

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



GRANTMAKING POLICIES AND PROCEDURES

MAJOR CURRENT INTERESTS

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

clinical and leadership skills of rural physicians, and to provide scholarships for minority medical students at the University of Minnesota.

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

RESTRICTIONS AND AREAS OF HIGH SELECTIVITY

1. The Foundation recently has concentrated its major interest on projects originating in, or of special value to Minnesota, North Dakota, and South Dakota, with Chicago an area of secondary interest and others less so. The Bush Leadership Fellows Program includes coverage of Minnesota, North and South Dakota, and the counties of Western Wisconsin which are part of the Ninth Federal Reserve District. Proposals for projects outside the United States ordinarily will not be approved.
2. The Bush Foundation ordinarily will not contribute to other private foundations, but this shall not preclude its joining with one or more foundations in a common effort of special interest.
3. The Foundation does not make direct grants to individuals except through established, defined programs such as the Bush Leadership Fellows Program, the Fellowships for Artists Program, and The Bush Clinical Fellows Program. Ordinarily, the Foundation's grants are made only to non-profit, tax-exempt organizations.
4. Although the Foundation seeks to appraise each grant proposal on its merits, the following kinds of grant proposals are less likely to be approved than others:
 - a. Proposals for building construction in medicine.
 - b. Proposals requesting endowment funds.* (Note exception.)
 - c. Proposals requesting support to cover past operating deficits.
 - d. Proposals seeking general and continuing operating support.
5. The Foundation for some time has been reluctant to provide funds for basic scholarly research within established academic disciplines. In September, 1974 the Board of Directors voted to cease granting funds for project research in the biomedical and health sciences. While acknowledging the general importance of biomedical re-

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

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

GRANTMAKING PROCEDURES

Responsibility for Decisions

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

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

Time Required for Decisions

Grant proposals should be submitted to the President of the Foundation three months prior to the Board meeting at which consideration of the proposal is desired. This normally is a minimum time needed to complete the steps required for consideration. But if the proposal is highly specialized, if it requires the review of outside consultants, or if additional information is needed before serious consideration is possible, the process of consideration usually takes longer.

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

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

Preliminary Inquiries

The Foundation staff welcomes brief preliminary letters inquiring about possible interest of the Foundation in providing funds for a particular project. The staff also is pleased to answer written or telephone inquiries

concerning application procedures, desired documentation, timing problems, and so on.

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

Exploration of Other Sources of Support

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

GRANT PROPOSALS

Form of Presentation

There is no special form for applying for a grant. The proposals made to the Foundation vary widely as to purpose, and hence vary also as to the documentation needed for fair consideration. Plans which have been worked out thoughtfully and described concisely are always welcomed. Expensive brochures and extra packaging generally seem wasteful.

Desired Contents

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

1. A clear description of the project, what it may be expected to achieve, and why it is important to undertake.
2. A detailed expense budget for the project, showing how the requested funds would be spent and during what time periods. The budget should make clear how the major elements of expense were estimated. Applicants should specify when the grant payment is desired, and in what amount; if more than one payment is requested under the grant, a suggested schedule of payments should be provided.

3. A statement of other possible sources of support, public or private, which have been or will be solicited concerning the project, including a statement of funds which have been received or pledged.
4. If the project is to be continued after the period for which support has been requested, an explanation of how continuation of the project is to be financed.
5. The procedure and criteria by which effectiveness of the grant should be judged after the grant funds have been expended.
6. Information concerning the organization and the responsible officers who intend to carry out the project:
 - a. A brief description of the organization making the proposal.
 - b. The names and primary affiliations of the organization's directors or trustees.
 - c. The name(s) and qualifications of the person(s) who would administer the grant.
 - d. An audited balance sheet and income statement, if available, for the organization's previous fiscal year.
7. A copy of the organization's most recent tax-exempt ruling from the Internal Revenue Service, along with either a statement as to any revisions which may be pending, or a statement that there has been no change and none is pending.
8. If the request comes from a department or individual in an organization, the request also should be endorsed by the administrative head of the organization. If possible, the endorsement also should comment upon the relative priority of the request compared with other needs which The Bush Foundation may be asked to support.
9. For demonstration projects, research studies, and experiments, a description of similar work which has been carried out previously by other agencies would be helpful, along with an estimate of the significance of this prior work to the proposed project.
10. Proposals seeking funds for basic scholarly research should be written so that the project and its importance may be understood by non-specialists, and also so that the specific work plan may be understood and reviewed by consultants in the specific discipline involved. The Foundation has been extremely selective in approving grants for basic scholarly research of all kinds.

APPROVED GRANTS

Notification of Approval

The Bush Foundation will send written notice to applicants concerning all Board decisions to approve or deny grant proposals, usually within ten days following the Board meeting involved. During this period, the Founda-

tion notifies newspapers in Minnesota and the Dakotas, and radio and television stations of grants which have been approved. The Foundation Center in New York City is also notified of approved grants so that its central data file may be kept current.

Reports to the Foundation

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

Foundation Self-Evaluation

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

Summary Statistics for Recent Grants

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

**Summary of Grants Approved in Fiscal Year 1978
Classified by Size, Duration,
Geographic Location of Grants**

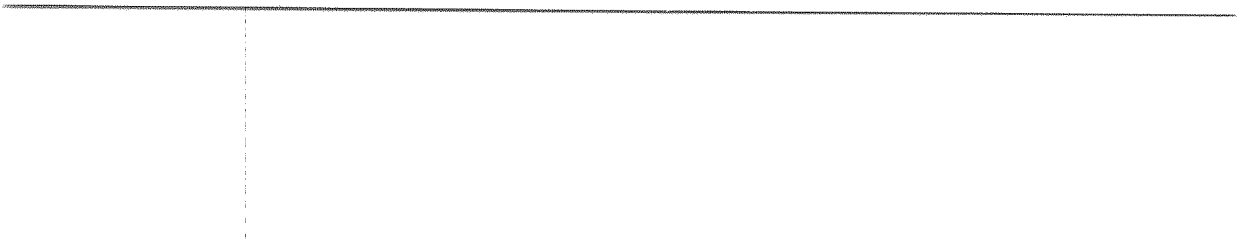
Classification of Grants		Number of Grants Approved
Size	\$ 0- 9,999	5
	10,000- 24,999	12
	25,000- 49,999	28
	50,000- 99,999	19
	100,000- 199,999	4
	200,000- 499,999	6
	50,000-1,000,000	8
Total		82
Duration	1 year	57
	2 years	8
	3 years	12
	4 years	2
	5 years	3
Total		82
Geographic Location	Minnesota	43
	North Dakota	3
	South Dakota	9
	Illinois	4
	Other	23
Total		82

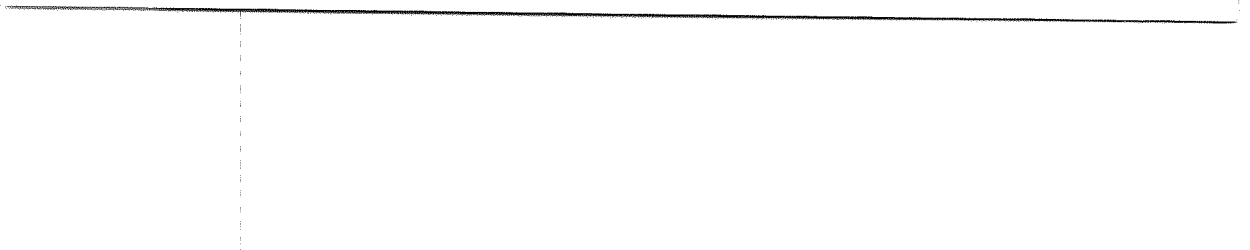
**Summary of Grants Approved in Fiscal Years 1976, 1977, 1978
Classified by Purpose for Which Funds Were Granted¹**

Program Area	1976	1977	1978	3-Year Total
Humanities & Performing Arts	\$1,212,500 (12)	\$ 1,262,606 (10)	\$1,085,230 (11)	\$ 3,560,336 (33)
Education	14.6% 3,956,054 (35)	11.5% 6,333,955 (58)	10.9% 5,419,524 ² (42)	12.2% 15,709,533 (135)
Health	47.5% 422,861 (3)	57.8% 220,260 (3)	54.6% 1,665,840 ² (5)	53.8% 2,308,961 (11)
Human Services	5.1% 1,530,542 (28)	2.0% 1,169,792 (23)	16.8% 635,225 (15)	7.9% 3,335,559 (66)
Miscellaneous	18.4% 636,270 (8)	10.7% 1,380,544 (9)	6.4% 185,835 (6)	11.4% 2,202,649 (23)
Fellowship Program Stipends	7.7% 555,000 (2)	12.6% 596,000 (2)	1.9% 929,000 (3)	7.6% 2,080,000 (7)
TOTALS	6.7% \$8,313,227 (88) 100%	5.4% \$10,963,157 (105) 100%	9.4% \$9,920,654 (82) 100%	7.1% \$29,197,038 (275) 100%

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

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





STATEMENT OF GRANTS FOR THE PERIOD ENDED NOVEMBER 30, 1978

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appro- priated 1978	Amount Paid 1978	Unpaid Balance 1978
A. PERFORMING ARTS AND HUMANITIES					
Museums					
Ramsey County Historical Society, Saint Paul <i>Toward restoration costs of Gibbs Farm Museum</i>	\$ 15,000	. . . .	\$ 15,000	. . . .	\$ 15,000
Science Museum of Minnesota, Saint Paul <i>To assist capital and endow- ment campaign: "New Horizons Fund"</i>	600,000	\$ 400,000	. . . .	\$ 200,000	200,000
Walker Art Center, Inc., Minneapolis <i>To support the Center's special exhibition program</i>					
<i>1976 grant</i>	90,000	20,000	. . . .	20,000	. . . .
<i>1978 grant</i>	100,000	. . . .	100,000	. . . .	100,000
Theater					
Cricket Theatre Corporation, Minneapolis <i>Toward operating expenses for the 1977-78 and 1978-79 seasons</i>	50,000	. . . .	50,000	25,000	25,000
Guthrie Theater Foundation, Minneapolis <i>Toward operating expenses for 1978-79 season</i>	95,000	. . . .	95,000	95,000	. . . .
Music					
Minnesota Opera Company, Saint Paul <i>To support promotion expenses for the</i>					
<i>1978 season</i>	25,000	25,000	. . . .	25,000	. . . .
<i>1979 season</i>	30,000	. . . .	30,000	30,000	. . . .

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Minnesota Orchestral Association, Minneapolis					
<i>Toward costs of a new symphony hall in Minneapolis 1973 grant</i>	250,000	200,000	.....	200,000	.....
<i>Toward operating costs of 1977-78 and 1978-79 seasons</i>	270,000	.....	270,000	130,000	140,000
Saint Paul Chamber Orchestra Society, Saint Paul					
<i>To match increased unearned income and to support operating costs of the 1977-78 season</i>	100,000	50,000	.....	50,000	.....
Other					
Hennepin Center for the Arts, Minneapolis					
<i>To support renovation of Masonic Temple as an arts center in downtown Minneapolis</i>	300,000	.....	300,000	100,000	200,000
Lake Agassiz Arts Council, Fargo, North Dakota					
<i>To support operating costs, and to match gifts to Coordinated Arts Fund Drive</i>	68,000	.....	68,000	19,000	49,000
Minnesota Historical Society, Saint Paul					
<i>To purchase rare books and works of art for the Society's collection</i>	60,000	40,000	.....	20,000	20,000
National Trust for Historic Preservation, Washington, D.C.					
<i>To pay salary and support costs for a "Mainstreet" project manager in Hot Springs, South Dakota</i>	47,909	23,899	.....	23,899	.....
The Plains Distribution Service, Inc., Fargo, North Dakota					
<i>To support start-up costs of Book Bus Project</i>	34,697	25,000	.....	10,000	15,000
Saint Paul-Ramsey Arts and Science Council, Saint Paul					
<i>To match increased contributions and to provide out-right support to Annual Fund Drive</i>					
<i>1976 grant</i>	300,000	200,000	.....	200,000	.....
<i>1977 grant</i>	275,000	275,000	(25,000)	125,000	125,000

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
South Dakota Historical Resource Center, Pierre, South Dakota <i>To prepare an inventory of a microfilm collection of South Dakota newspapers</i>	4,380	. . . .	4,380	4,380	. . . .
Southwest Minnesota Arts and Humanities Council, Inc., Marshall, Minnesota <i>To support photographer-in-residence project</i>	32,850	. . . .	32,850	32,850	. . . .
Spring Hill Conference Center, Wayzata, Minnesota <i>To support Center-sponsored programs</i>	15,000	5,000	. . . .	5,000	. . . .
Twin Cities Metropolitan Arts Alliance, Minneapolis <i>Toward redemption costs of performing arts ticket voucher program</i>	120,000	. . . .	120,000	40,000	80,000
TOTAL — ARTS		<u>\$ 1,263,899</u>	<u>\$1,060,230</u>	<u>\$1,355,129</u>	<u>\$ 969,000</u>

B. EDUCATION

Private Elementary and Secondary Education

Minnesota Independent School Fund, Inc., Saint Paul

Unrestricted support during 1978 for member secondary schools in Minnesota

25,000	25,000	25,000
--------	---------	--------	--------	---------

Public Elementary and Secondary Education

Independent School District #625, Saint Paul

Toward expansion of a special program for junior-high school students with severe behavioral problems

118,000	20,000	20,000
---------	--------	---------	--------	---------

Toward start-up support for an alternative "fundamental" elementary school

200,000	150,000	110,000	40,000
---------	---------	---------	---------	--------

Minnesota Association of School Administrators, Saint Paul

Toward final program planning, start-up, and operational costs for management training program for public school superintendents in Minnesota

1976 grant	338,400	46,650	. . . .	46,650	. . . .
1977 grant	479,250	479,250	. . . .	204,882	274,368

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Private Higher Education					
Alumni Challenge Grants					
<i>To increase both unrestricted dollar receipts and the number of donors, through matching incentives, in the alumni and alumnae funds of private colleges in Minnesota, the Dakotas, and within the United Negro College Fund</i>					
Minnesota Colleges					
Bethel College and Seminary, Saint Paul <i>Second renewal, 1977-78</i>	40,000	40,000	. . . .	40,000	. . . .
College of Saint Teresa, Winona, Minnesota <i>Third renewal, 1977-78</i>	32,000	32,000	. . . .	32,000	. . . .
College of Saint Thomas, Saint Paul <i>Renewal to challenge special reunion class gifts, 1977-78</i>	30,000	. . . .	30,000	30,000	. . . .
Macalester College, Saint Paul <i>Renewal to challenge special reunion class gifts, 1977-78</i>	20,000	20,000	(14,012)	5,988	. . . .
<i>Third renewal 1978-79</i>	20,000	. . . .	20,000	. . . .	20,000
Saint Mary's College, Winona, Minnesota <i>Third renewal, 1977-78</i>	35,000	35,000	. . . .	. . . .	35,000
Saint Mary's Junior College, Minneapolis <i>Initial grant, 1978-79</i>	27,000	. . . .	27,000	. . . .	27,000
North and South Dakota Colleges					
Dakota Wesleyan University, Mitchell, South Dakota <i>First renewal, 1977-78</i>	37,000	37,000	. . . .	37,000	. . . .
<i>Second renewal, 1978-79</i>	37,000	. . . .	37,000	. . . .	37,000
Huron College, Huron, South Dakota <i>First renewal, 1977-78</i>	26,000	26,000	(10,000)	16,000	. . . .
Jamestown College, Jamestown, North Dakota <i>First renewal, 1977-78</i>	42,000	42,000	. . . .	42,000	. . . .
<i>Second renewal, 1978-79</i>	30,000	. . . .	30,000	. . . .	30,000
Mary College, Bismarck, North Dakota (Challenge not restricted to alumni giving) <i>First renewal, 1977-78</i>	30,000	30,000	(500)	29,500	. . . .
Presentation College, Aberdeen, South Dakota (Challenge not restricted to alumni giving) <i>Initial grant, 1977-78</i>	27,000	27,000	. . . .	27,000	. . . .
<i>First renewal, 1978-79</i>	30,000	. . . .	30,000	. . . .	30,000

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Sioux Falls College, Sioux Falls, South Dakota					
<i>First renewal, 1977-78</i>	30,000	30,000	(3,000)	27,000	.....
<i>Second renewal, 1978-79</i>	24,000	.....	24,000	.....	24,000
Yankton College, Yankton, South Dakota					
<i>First renewal, 1977-78</i>	33,000	33,000	.....	33,000	.....
<i>Second renewal, 1978-79</i>	30,000	.....	30,000	.....	30,000
UNCF Colleges					
Atlanta University, Atlanta, Georgia					
<i>Initial grant, 1978-79</i>	80,000	.....	80,000	.....	80,000
Bennett College, Greensboro, North Carolina					
<i>Initial grant, 1977-78</i>	40,000	40,000	.....	40,000	.....
<i>First renewal, 1978-79</i>	27,000	.....	27,000	.....	27,000
Dillard University, New Orleans, Louisiana					
<i>Initial grant, 1978-79</i>	50,500	.....	50,500	.....	50,500
Dillard University, New Orleans, Louisiana					
<i>To support costs for eight-college conference on alumni giving</i>	6,800	.....	6,800	6,800	.....
Fisk University, Nashville, Tennessee					
<i>Initial grant, 1977-78</i>	69,000	69,000	(1,719)	67,281	.....
<i>First renewal, 1978-79</i>	58,300	.....	58,300	.....	58,300
Johnson C. Smith University, Charlotte, North Carolina					
<i>Initial grant, 1978-79</i>	49,750	.....	49,750	.....	49,750
Livingstone College, Salisbury, North Carolina					
<i>Initial grant, 1978-79</i>	25,000	.....	25,000	.....	25,000
Miles College, Birmingham, Alabama					
<i>Initial grant, 1978-79</i>	36,000	.....	36,000	.....	36,000
Paine College, Augusta, Georgia					
<i>First renewal, 1977-78</i>	20,000	20,000	.....	20,000	.....
<i>Second renewal, 1978-79</i>	15,000	.....	15,000	.....	15,000
Rust College, Holly Springs, Mississippi					
<i>Initial grant, 1978-79</i>	27,000	.....	27,000	.....	27,000
Saint Augustine's College, Raleigh, North Carolina					
<i>Initial grant, 1977-78</i>	49,000	49,000	(3,000)	46,000	.....
<i>First renewal, 1978-79</i>	31,000	.....	31,000	.....	31,000
Spelman College, Atlanta, Georgia					
<i>Initial grant, 1977-78</i>	34,000	34,000	(4,500)	29,500	.....
<i>First renewal, 1978-79</i>	12,250	.....	12,250	.....	12,250
Talladega College, Talladega, Alabama					
<i>Initial grant, 1978-79</i>	57,000	.....	57,000	.....	57,000
Tougaloo College, Tougaloo, Mississippi					
<i>First renewal, 1977-78</i>	60,000	60,000	(32,581)	27,419	.....
<i>Second renewal, 1978-79</i>	51,400	.....	51,400	.....	51,400

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Tuskegee Institute, Tuskegee Institute, Alabama					
<i>Initial grant, 1977-78</i>	75,000	75,000	.....	75,000	.....
<i>First renewal, 1978-79</i>	60,000	.....	60,000	.....	60,000
Wilberforce University, Wilberforce, Ohio					
<i>Initial grant, 1978-79</i>	40,000	.....	40,000	.....	40,000
Wiley College, Marshall, Texas					
<i>Initial grant, 1977-78</i>	43,000	43,000	.....	43,000	.....
<i>First renewal, 1978-79</i>	40,000	.....	40,000	.....	40,000
Xavier University, New Orleans, Louisiana					
<i>First renewal, 1977-78</i>	65,000	65,000	.....	65,000	.....
<i>Second renewal, 1978-79</i>	50,000	.....	50,000	.....	50,000
Capital Challenge Grants					
Augsburg College, Minneapolis					
<i>Matching grant to support its capital fund drive for building renovations and for a new music building</i>	340,000	340,000	.....	340,000	.....
Carleton College, Northfield, Minnesota					
<i>Matching grant to endow library book purchases</i>	800,000	800,000	.....	800,000	.....
Gustavus Adolphus College, Saint Peter, Minnesota					
<i>Matching grant to support unrestricted endowment and to endow library book purchases</i>	600,000	.....	600,000	.....	600,000
Mary College, Bismarck, North Dakota					
<i>Matching grant to support unrestricted endowment portion of capital fund drive</i>	125,000	.....	125,000	.....	125,000
Saint Olaf College, Northfield, Minnesota					
<i>Matching grant to endow acquisitions and operating costs in the College's library</i>	800,000	.....	800,000	.....	800,000
William Hood Dunwoody Industrial Institute, Minneapolis					
<i>To support a \$6.1 million capital fund drive</i>	300,000	.....	300,000	.....	300,000
William Mitchell College of Law, Saint Paul					
<i>To support its \$4 million drive for capital and current funds</i>	200,000	100,000	.....	100,000	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Bush Opportunity Grants					
<i>To provide scholarships based on financial need but not exceeding \$1,000 each for graduates of Minnesota community and junior colleges who transfer to a four-year Minnesota private college</i>					
1974 grant	670,000	164,655	.....	.....	84,771
Augsburg College, Minneapolis	.....	.....	.....	16,561	.....
Bethel College, Saint Paul	.....	.....	.....	5,464	.....
Carleton College, Northfield, Minnesota	.....	.....	.....	500	.....
College of Saint Benedict, Saint Joseph, Minnesota	.....	.....	.....	2,325	.....
College of Saint Catherine, Saint Paul	.....	.....	.....	4,500	.....
College of Saint Scholastica, Duluth, Minnesota	.....	.....	.....	2,985	.....
College of Saint Thomas, Saint Paul	.....	.....	.....	15,800	.....
Concordia College, Moorhead, Minnesota	.....	.....	.....	3,125	.....
Concordia College, Saint Paul	.....	.....	.....	2,186	.....
Gustavus Adolphus College, Saint Peter, Minnesota	.....	.....	.....	2,500	.....
Hamline University, Saint Paul	.....	.....	.....	18,038	.....
Macalester College, Saint Paul	.....	.....	.....	1,500	.....
Minneapolis College of Art and Design, Minneapolis	.....	.....	.....	1,500	.....
Saint John's University, Collegeville, Minnesota	.....	.....	.....	1,400	.....
Saint Olaf College, Northfield, Minnesota	.....	.....	.....	1,500	.....
Augsburg College, Minneapolis					
<i>To provide an extra tapering-out support period in the Bush Opportunity Grants Program</i>					
	37,845	16,820	.....	16,820	.....
College of Saint Thomas, Saint Paul					
<i>To provide an extra tapering-out support period in the Bush Opportunity Grants Program</i>					
	39,555	17,580	.....	17,580	.....
Hamline University, Saint Paul					
<i>To provide an extra tapering-out support period in the Bush Opportunity Grants Program</i>					
	48,712	21,650	.....	21,650	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Other Grants					
Augustana College, Sioux Falls, South Dakota <i>To support a private community college in Sioux Falls as part of a consortium of educational institutions</i>	272,364	65,900	.....	40,150	25,750
College of Saint Thomas, Saint Paul <i>To support a new program to train administrators in non-public elementary and secondary schools in Minnesota</i>	46,790	.....	46,790	29,389	17,401
Minnesota Private College Fund, Minneapolis <i>For support of programs selected by the presidents of the fifteen member colleges</i>					
1976 grant	400,000	200,000	.....	200,000	.....
1978 grant	200,000	.....	200,000	.....	200,000
United Negro College Fund, Inc., New York, New York <i>To support the annual fund drives in 1977, 1978, and 1979</i>	120,000	80,000	.....	40,000	40,000
Public Higher Education					
Minnesota Arboretum Foundation, Chaska, Minnesota <i>To finance the acquisition of 88 acres for the Minnesota Landscape Arboretum</i>	213,000	213,000	.....	.....	213,000
University of Minnesota, Minneapolis Duluth Medical School <i>To help develop a program in allied health sciences at the University (Duluth) the College of Saint Scholastica (Duluth) and the University of Wisconsin at Superior</i>	215,028	26,535	.....	26,535	.....
Graduate School Fellowships <i>Fellowships for graduate students in M.A. and Ph.D. programs under the administration of the Graduate School</i>					
1974 grant	2,000,000	125,000	.....	.....	125,000
1976 grant	375,000	290,000	.....	.....	290,000

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Graduate School Evaluation <i>Continued support for external evaluations of the University's Graduate School departments in conjunction with internal evaluations which the University is conducting</i>	115,000	46,000	.....	46,000	.....
University of Minnesota Foundation, Minneapolis <i>To support Regents Professor salary supplements in 1977, 1978, and 1979 while endowment funds are being raised</i>	225,000	75,000	.....	75,000	.....
University of North Dakota, Grand Forks, North Dakota <i>To help start a statewide network of teacher centers to provide in-service training to elementary and secondary teachers</i>	403,596	324,756	.....	65,820	258,936
Child Development					
Chicago Educational Television Association, Chicago, Illinois <i>To support production costs of seven episodes of the parenting program — "Look At Me"</i>	189,000	95,000	.....	95,000	.....
Education Development Center, Inc., Newton, Massachusetts <i>To support costs to distribute a parent education curriculum for high school seniors among schools in Minnesota; also to train teachers to use the curriculum</i>	113,778	57,623	.....	57,623	.....
Erikson Institute for Early Education, Chicago, Illinois <i>To support the Institute's program of graduate level training for teachers of pre-school children 1977 grant</i>	210,000	140,000	.....	70,000	70,000
Family Focus, Inc., Evanston, Illinois <i>To support early operation of two drop-in centers for parents and their very young children</i>	100,000	50,000	.....	35,000	15,000
Hennepin County Family Day Care Association, Inc., Minneapolis <i>To purchase equipment</i>	13,683	.....	13,683	13,683	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Independent School District #742, Saint Cloud, Minnesota <i>To support development of a district-wide parent education program for parents of children aged 0-4</i>	100,000	55,000	. . . .	35,000	20,000
McIntyre's Center for Gifted Children, Saint Paul <i>To support building renovation costs</i>	50,000	50,000	. . . .	50,000	. . . .
Minnesota Early Learning Design, Minneapolis <i>To continue support for demonstration project in parent education</i>	67,000	. . . .	67,000	67,000	. . . .
Social Science Research Council, New York, New York <i>To help support activities of a national committee to coordinate and stimulate research on the social and emotional development of children</i>	80,140	43,220	. . . .	43,220	. . . .
The United States of America — Secretary of the Interior, Washington, D.C. <i>Interim support for a program to counsel parents and very young children of the Sisseton-Wahpeton Sioux Tribe in South Dakota</i>	91,050	. . . .	91,050	46,050	45,000
University of Minnesota, Minneapolis Center for Early Education and Development <i>To support a three-year series of leadership training institutes for professionals in the field of early childhood education</i>	203,440	69,870	. . . .	69,870	. . . .
Yale University, New Haven, Connecticut <i>To support the first in a network of Bush centers in child development and public policy</i>	674,415	610,000	. . . .	125,000	485,000
The University of California, Los Angeles, California <i>To support the second in a network of Bush centers in child development and public policy</i>	675,046	. . . .	675,046	675,046	610,000

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
The University of Michigan, Ann Arbor, Michigan <i>To support the third in a network of Bush centers in child development and public policy</i>	684,574	. . . .	684,574	65,574	619,000
University of North Carolina, Chapel Hill, North Carolina <i>To support the fourth in a network of Bush centers in child development and public policy</i>	661,381	. . . .	661,381	56,381	605,000
Economic Education					
The Agency for Instructional Television, Bloomington, Indiana <i>To help support production of an instructional television series on economics for children in grades 5 and 6</i>	100,000	50,000	. . . .	50,000	. . . .
Junior Achievement, Inc., Stamford, Connecticut <i>Challenge grant to help increase annual operating support for Junior Achievement program in Saint Paul and suburbs</i>	85,000	85,000	. . . .	55,000	30,000
Minnesota State Council on Economic Education, Minneapolis <i>To support three-year training program in economic education for Saint Paul public school teachers</i>	120,314	35,256	. . . .	35,256	. . . .
<i>To support costs for improvement of instruction in economics in the archdiocesan schools of Saint Paul and Minneapolis</i>	90,186	58,886	. . . .	30,037	28,849
North Dakota Council on Economic Education, Grand Forks, North Dakota <i>To expand statewide program in economics for elementary and secondary school teachers in North Dakota public schools</i>	63,685	21,616	. . . .	13,946	7,670
Saint Paul Chamber of Commerce Foundation, Saint Paul <i>To support training program in business economics and summer internships in local corporations for elementary and secondary school teachers</i>	93,500	15,500	(2,358)	13,142	. . . .

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Special School District #1, Minneapolis Public Schools, Minneapolis <i>Toward development of a case study program in economic education 1976 grant</i>	165,725	46,729	.....	46,729	.....
Libraries					
Midwest Region Library Network, Evanston, Illinois <i>To support start-up costs for regional library consortium</i>	204,000	140,000	.....	50,000	90,000
Minnesota Higher Education Coordinating Board, Saint Paul <i>Toward purchase and in- stallation of equipment to computerize the cataloging of books in fifteen libraries in Minnesota and South Dakota</i>	134,860	67,430	.....	67,430	.....
Newberry Library, Chicago, Illinois <i>Toward building renovation project</i>	70,000	.....	70,000	70,000	.....
Saint Paul Seminary, Saint Paul <i>To support a consortium of five theological seminaries in Minnesota to computerize the cataloging of books in their libraries</i>	172,800	72,800	.....	72,800	.....
Other Education					
Film in the Cities, Saint Paul <i>Toward operating costs of training and technical as- sistance program for film- makers</i>	55,000	.....	55,000	25,000	30,000
The Minneapolis Foundation, (fiscal agent for Citizens' Scholarship Foundation of America, Inc., Concord, New Hampshire), Minneapolis <i>To continue support toward costs for the Min- nesota regional office, and to develop additional local CSFA chapters</i>	60,000	.....	60,000	.....	60,000
Minnesota Association for Children with Learning Disabilities, Saint Paul <i>To assist parents to obtain legally mandated educational services from local school districts for children with special learning disabilities</i>	50,000	50,000	.....	50,000	.....
TOTAL — EDUCATION		<u>50,000</u>	<u>.....</u>	<u>50,000</u>	<u>.....</u>
		<u>\$ 6,223,726</u>	<u>\$5,347,854</u>	<u>\$4,518,635</u>	<u>\$ 7,052,945</u>

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
C. HEALTH					
Bush Foundation Clinical Fellows Program <i>Planning grant for a new foundation-operated program</i>	5,000	.....	5,000	4,033	967
The Children's Hospital, Saint Paul <i>To support its capital campaign to construct a new hospital building</i>	200,000	100,000	.....	100,000	.....
Family Tree, Inc., Saint Paul <i>To support the start-up costs of nurse-midwifery program</i>	14,260	6,310	.....	6,310	.....
Meharry Medical College, Nashville, Tennessee <i>Initial alumni challenge grant for annual giving 1978-79</i>	75,000	.....	75,000	.....	75,000
Psychoanalytic Foundation of Minnesota, Inc., Minneapolis <i>For program development 1974 grant</i>	60,000	30,000	.....	10,000	20,000
Rush-Presbyterian-Saint Luke's Medical Center, Chicago, Illinois <i>To support further development of graduate programs in the new college College of Nursing</i>	300,000	40,000	.....	40,000	.....
Trinity Health Care, Minneapolis <i>To support start-up costs for a family health clinic in a church setting</i>	48,000	.....	48,000	48,000	.....
University of Minnesota, Minneapolis Center for Health Services Research <i>To help start a new Center for Health Services Research in the School of Public Health</i>	537,840	.....	537,840	115,560	422,280
<i>To provide scholarships for minority medical students</i>	1,000,000	.....	1,000,000	125,000	875,000
TOTAL — HEALTH		<u>\$ 176,310</u>	<u>\$1 665,840</u>	<u>\$ 448,903</u>	<u>\$ 1,393,247</u>

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
D. HUMAN SERVICES					
Health and Rehabilitation					
Cedar Valley Rehabilitation Workshop, Austin, Minnesota <i>Toward construction costs of the Careers Training Center, a sheltered workshop for handicapped people in Owatonna, Minnesota</i>	35,000	.....	35,000	35,000	.....
Education for Learning Disabilities, Inc., Minneapolis <i>Support of a reading and math clinic for learning-disabled children and adults</i>	32,000	5,000	.....	5,000	.....
Homeward Bound, Inc., New Hope, Minnesota <i>To help construct a new residence for severely retarded and physically handicapped young adults in Brooklyn Park, Minnesota</i>	30,000	.....	30,000	30,000	.....
Minnesota Society for Crippled Children and Adults, Golden Valley, Minnesota <i>Second-year support toward operating costs for rehabilitation engineering program</i>	20,000	.....	20,000	.....	20,000
National Handicap Housing Institute, Inc., Minneapolis <i>Toward start-up costs of establishing an information and referral service for physically handicapped persons</i>	15,000	.....	15,000	15,000	.....
Occupational Rehabilitation Center, Inc., Winona, Minnesota <i>Toward construction costs of a new building for a sheltered workshop for handicapped persons</i>	30,000	.....	30,000	30,000	.....
Opportunity Workshop, Inc., Minneapolis <i>Toward construction costs of a new sheltered workshop for handicapped persons</i>	160,000	160,000	.....	160,000	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
People, Inc., Saint Paul <i>To support start-up costs for residential half-way house for adults who are both hearing impaired and mentally ill</i>	81,617	30,000	.....	30,000	.....
Rehabilitation Institute of Chicago, Chicago, Illinois <i>To begin an industrial engineering program</i>	75,000	.....	75,000	25,000	50,000
Southeast South Dakota Activity Center, Inc., Vermillion, South Dakota <i>Toward construction costs of a sheltered workshop for handicapped people</i>	28,000	28,000	.....	28,000	.....
Union Gospel Mission Association, Saint Paul <i>To assist moving the Mission's adult facilities to a new site</i>	500,000	400,000	.....	.....	400,000
United Funds					
United Way of the Saint Paul Area, Inc., Saint Paul <i>For the 1978 annual campaign</i>	222,425	222,425	.....	222,425	.....
<i>For the 1979 annual campaign</i>	235,000	.....	235,000	.....	235,000
Youth and Family Services					
American Lutheran Church, Minneapolis <i>Support for the Center for Children, an after-school program for inner-city children sponsored by Central Lutheran Church in Minneapolis</i>	25,000	25,000	.....	17,000	8,000
Boys' Club of Rapid City, Rapid City, South Dakota <i>To support training of Indian youth for future careers with youth service organizations</i>	30,000	.....	30,000	9,600	20,400
Charles Cruse Memorial Boys' Club, Fort Totten, North Dakota <i>To train four Indian young men to operate the Boys' Club</i>	40,800	20,400	(20,400)	.....	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Enablers, Inc., Minneapolis <i>Continued support for a program that provides technical assistance to youth service programs in the Twin Cities. Metropolitan area</i>	40,000	10,000	.....	10,000	.....
Girls Club of Rapid City, Inc., Rapid City, South Dakota <i>To support development of an employment preparation program for low-income and minority young women in the Rapid City area</i>	25,000	10,000	.....	10,000	.....
Harriet Tubman Women's Shelter, Minneapolis <i>Toward start-up costs of a shelter for battered women and their children</i>	70,000	45,000	.....	30,000	15,000
Northeastern Minnesota Coalition for Battered Women, Inc., Duluth, Minnesota <i>Toward program support for a shelter for battered women and their children</i>	25,000	.....	25,000	25,000	.....
United Charities of Chicago, Chicago, Illinois <i>To support an educational family financial counseling program</i>	100,000	50,000	.....	50,000	.....
Women's Shelter, Inc., Rochester, Minnesota <i>Toward start-up costs of a shelter for battered women and their children</i>	21,075	.....	21,075	8,575	12,500
Service for the Aged					
Sholom House, Inc., Saint Paul <i>To support a construction and remodeling program of a home for older people</i>	125,000	125,000	.....	125,000	.....
Law and Corrections					
Correctional Service of Minnesota, Minneapolis <i>To strengthen the research and planning division</i>	90,000	20,000	.....	20,000	.....
Metropolitan Community Corrections Association, Minneapolis <i>Toward start-up costs of service organization for corrections programs</i>	25,000	.....	25,000	15,000	10,000

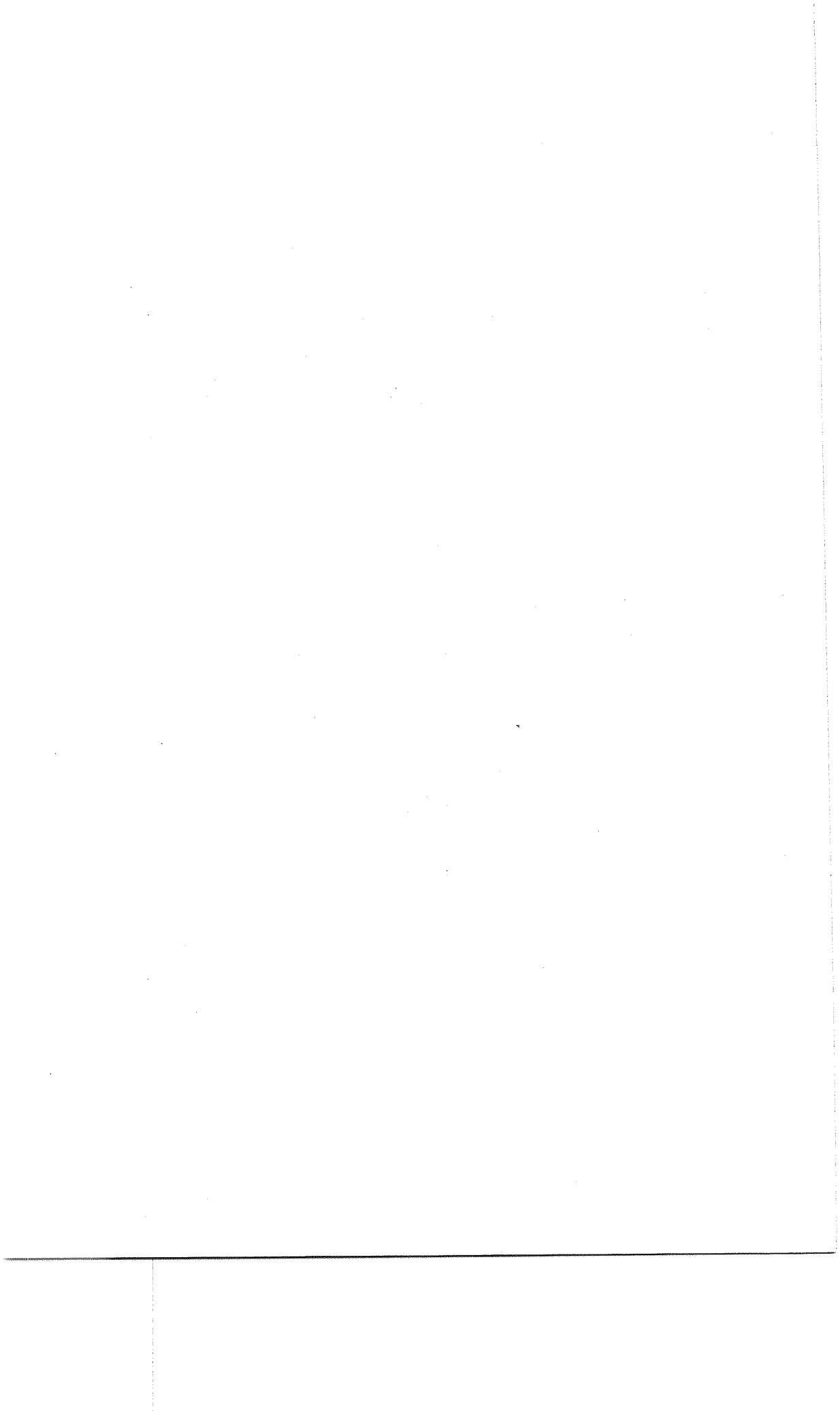
Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Project Elan, Inc., Minneapolis <i>To continue support of the Child Support and Family Maintenance program</i>	14,150	. . . .	14,150	14,150	. . . .
Stillwater Data Processing Systems, Inc., Stillwater, Minnesota <i>Toward costs of establishing a private industry and training program in the Minnesota State Prison</i>	38,000	4,000	. . . .	4,000	. . . .
Other Human Services					
Center for Women, Inc., Minneapolis <i>Toward building renovation costs</i>	20,000	. . . .	20,000	. . . .	20,000
Community Planning Organization, Inc., Saint Paul <i>Toward operating support for this independent organization that provides a variety of services to human service agencies in the Saint Paul area</i>	40,000	15,000	. . . .	15,000	. . . .
Granville House, Inc., Saint Paul <i>To support costs to refurbish and bring up to code the Jane Dickman House facility in Woodbury, Minnesota</i>	45,000	45,000	. . . .	45,000	. . . .
Greater Minneapolis Council of Churches (Division of Indian Work), Minneapolis <i>To help renovate a church building for a program that provides emergency social services to Indians in Minneapolis</i>	30,000	30,000	. . . .	30,000	. . . .
Jamestown, Stillwater, Minnesota <i>Toward construction costs of a boys' dormitory in the drug abuse center</i>	25,000	. . . .	25,000	25,000	. . . .
The Johnson Institute, Minneapolis <i>Continued support for a Family Care program for families of alcoholics</i>	55,000	20,000	. . . .	20,000	. . . .

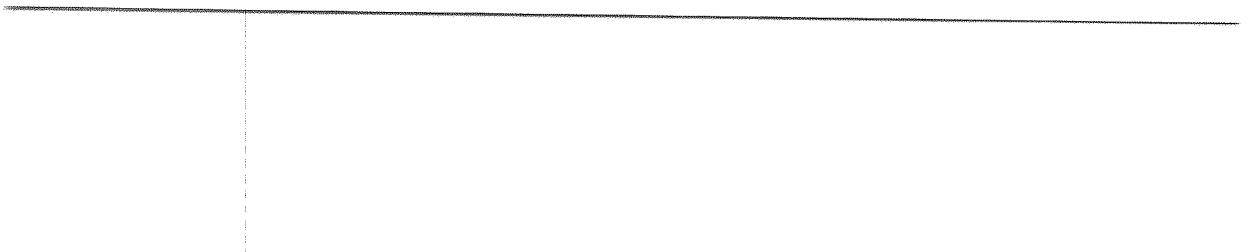
Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
River Park Center, Pierre, South Dakota <i>Toward construction costs of a learning center for alcoholism treatment programs</i>	35,000	.....	35,000	.....	35,000
TOTAL — HUMAN SERVICES		<u>\$ 1,264,825</u>	<u>\$ 614,825</u>	<u>\$1,053,750</u>	<u>\$ 825,900</u>
E. MISCELLANEOUS					
Communications					
Community Film Workshop of Chicago, Chicago, Illinois <i>Toward costs of purchasing equipment for minority training program in film and television</i>	55,000	30,000	.....	18,000	12,000
Minnesota Public Radio, Saint Paul <i>To match increased membership income</i>	64,000	64,000	.....	64,000	.....
1977 grant	67,500	.....	67,500	.....	67,500
1978 grant					
Prime Time School Television, Chicago, Illinois <i>To support the field-testing of a new economics curriculum in ten Minnesota high schools</i>	7,000	.....	7,000	7,000	.....
South Dakota Friends of Public Broadcasting, Brookings, South Dakota <i>Toward costs of establishing a development office and to match increased membership income</i>	79,000	40,000	.....	40,000	.....
<i>To continue membership challenge grant and to support advertising costs</i>	60,000	.....	60,000	20,000	40,000
Twin Cities Public Television, Inc., Saint Paul <i>To support KTCA/KTCI (Channels 2 and 17) three-year fund drive</i>	900,000	700,000	.....	350,000	350,000
Vermilion Community College, Ely, Minnesota <i>Toward purchase and installation of a 10-watt FM translator to broadcast Minnesota Public Radio</i>	6,335	.....	6,335	.....	6,335

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
Environment					
Center for Local Self Reliance, Minneapolis <i>Interim support for administrative expenses of a program that helps low-income people insulate their homes</i>	25,000	10,000	. . . .	10,000	. . . .
The Nature Conservancy, Arlington, Virginia <i>To help acquire three natural prairie tracts in eastern South Dakota and to renovate a research station near Aberdeen, South Dakota</i>	103,270	60,000	(60,000)	. . . .	. . . .
Other Miscellaneous					
The Alan Guttmacher Institute, New York, New York <i>To help support research and policy analysis on population control</i>	25,000	. . . .	25,000	25,000	. . . .
Businessmen for the Public Interest, Inc., Chicago, Illinois <i>Toward operating costs</i>	20,000	. . . .	20,000	20,000	. . . .
Foundation Center, Inc., New York, New York <i>To help support the Foundation Resource Center</i>	75,000	25,000	. . . .	25,000	. . . .
The North Dakota Community Foundation, Bismarck, North Dakota <i>Toward endowment of a new grantmaking community foundation in North Dakota</i>	250,000	<u>242,120</u>	. . . .	<u>40,900</u>	<u>201,220</u>
TOTAL — MISCELLANEOUS		<u>\$ 1,171,120</u>	<u>\$ 125,835</u>	<u>\$ 619,900</u>	<u>\$ 677,055</u>

Organization and Purpose	Initial Grant	Unpaid Balance 1977	Appropriated 1978	Amount Paid 1978	Unpaid Balance 1978
F. FELLOWSHIP PROGRAMS					
Bush Leadership Fellows and Summer Fellows Program					
<i>To provide mid-career study and internship opportunities for selected residents of Minnesota, North Dakota, South Dakota, and Western Wisconsin</i>					
1975 program	443,800	29,541	(26,541)	3,000	.....
1976 program	467,800	59,292	(35,208)	19,984	4,100
1977 program	483,000	286,596	.....	223,094	63,502
1978 program	500,000	500,000	.....	199,239	300,761
1979 program	547,000	.....	547,000	.....	547,000
TOTAL — BUSH LEADERSHIP FELLOWS PROGRAM		<u>\$ 875,429</u>	<u>\$ 485,251</u>	<u>\$ 445,317</u>	<u>\$ 915,363</u>
Bush Foundation Fellowships for Artists					
<i>To enable selected writers and visual artists in Minnesota to set aside a significant period of time for work in their chosen art forms</i>					
1976 program	72,000	565	.....	565	.....
1977 program	72,000	51,953	.....	50,086	1,867
1978 program	96,000	96,000	.....	30,897	65,103
1979 program	112,000	.....	112,000	.....	112,000
TOTAL — BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS		<u>\$ 148,518</u>	<u>\$ 112,000</u>	<u>\$ 81,548</u>	<u>\$ 178,970</u>
Bush Clinical Fellows Program					
<i>To provide mid-career study opportunities for primary care physicians in rural Minnesota</i>					
1979 program	270,000	.....	270,000	.....	270,000
TOTAL — BUSH CLINICAL FELLOWS PROGRAM		<u>.....</u>	<u>\$ 270,000</u>	<u>.....</u>	<u>\$ 270,000</u>
GRAND TOTAL		<u>\$11,123,827</u>	<u>\$9,681,835*</u>	<u>\$8,523,182</u>	<u>\$12,282,480</u>

*This figure is the net total appropriated during the 1978 fiscal year. It represents gross appropriations of \$9,920,654 less cancellations and returns of \$238,819.





REPORT OF THE TREASURER

The financial statements of the Foundation have been audited by De-
loitte Haskins & Sells and appear on the following pages.

The Foundation's total assets were \$197,827,766 on November 30, 1978,
an increase of \$2,846,992 over November 30, 1977. The financial statements
include a list of all securities held by the Foundation at cost or stated value
and market value.

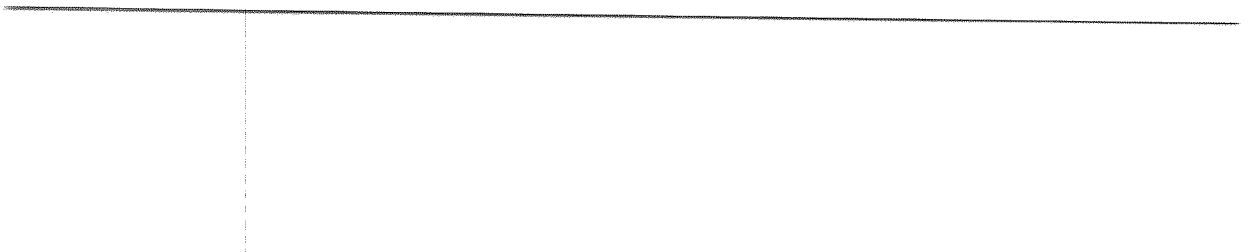
Total return on investments (dividends, interest and appreciation) was
5.4%, an improvement over the 2.3% realized in 1976-77. The total return on
equities was 5.1%, which compares favorably with the 2.0% total return on
the Dow Jones Industrials and 5.0% on the S & P 500 stocks.

Investment income in the fiscal year ended November 30, 1978 was
\$11,505,567, a 4% increase over the \$11,046,285 earned in 1977. Invest-
ment expenses were \$362,404 in 1978 of which \$239,854 was for investment
counsel fees. The provision for Federal excise taxes of \$223,000 reflects the
lower (2%) rate approved by Congress in 1978. Administrative expenses
related to grantmaking activities were \$614,635. All deductions from income
totalled \$1,200,039 in 1978 vs. \$1,327,298 in 1977.

The Board approved grants totalling \$9,920,654 in 1978 and cancellations
and refunds reduced that amount to a net of \$9,681,835 which was \$1,093,431
less than 1977. Grant payments of \$8,523,182 were \$1,356,007 less than in
1977 while unpaid grant commitments were \$1,158,653 higher at \$12,282,480.

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

John A. McHugh
Treasurer



AUDITORS' OPINION

To the Board of Directors of
The Bush Foundation

We have examined the balance sheet of The Bush Foundation as of November 30, 1978 and the related statements of changes in fund balances and cash balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of The Bush Foundation for the year ended November 30, 1977 were examined by other auditors whose report, dated January 20, 1978, expressed an unqualified opinion on those statements.

In our opinion, the accompanying financial statements present fairly the financial position of The Bush Foundation at November 30, 1978 and the changes in fund balances and cash balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination also comprehended the Foundation's supplemental schedule of investments at November 30, 1978. In our opinion, such supplemental schedule, when considered in relation to the basic financial statements, presents fairly in all material respects the information shown therein.

Deloitte Haskins + Sells

January 18, 1979 (except for
Note 2 as to which the date
is January 26, 1979)

BALANCE SHEETS — NOVEMBER 30, 1978 AND 1977

ASSETS	1978	1977
CASH, including \$171,085 in 1978 and \$136,908 in 1977 held by fiscal agents for investments	<u>\$ 316,967</u>	<u>\$ 669,590</u>
INVESTMENTS, principally at quoted market value (Exhibit 1):		
U.S. Treasury Bills, certificates of deposit and commercial paper	45,728,841	17,218,707
Corporate, Foreign and U.S. Government and Government Agency bonds and notes, amortized cost of \$45,342,362 in 1978 and \$67,856,316 in 1977	43,740,568	68,237,148
Common stocks and equity related preferred stocks and bonds, cost of \$99,976,353 in 1978 and \$104,680,113 in 1977	<u>105,678,927</u>	<u>106,235,567</u>
Total investments	<u>195,148,336</u>	<u>191,691,422</u>
DUE FROM FISCAL AGENTS FOR SECURITIES WITH SETTLEMENT PENDING	<u>.....</u>	<u>550,707</u>
DIVIDENDS AND INTEREST RECEIVABLE	<u>2,276,227</u>	<u>2,041,083</u>
FURNITURE, EQUIPMENT AND OTHER ASSETS	<u>86,236</u>	<u>27,972</u>
TOTAL ASSETS	<u><u>\$197,827,766</u></u>	<u><u>\$194,980,774</u></u>

<u>LIABILITIES AND FUND BALANCES</u>	<u>1978</u>	<u>1977</u>
ACCOUNTS PAYABLE	\$ 83,781	\$ 83,195
DUE TO FISCAL AGENTS FOR SECURITIES WITH SETTLEMENT PENDING	<u>1,355,329</u>	<u>.....</u>
ACCRUED FEDERAL EXCISE TAXES (Note 3):		
Current	<u>224,854</u>	<u>458,782</u>
Deferred	<u>37,000</u>	<u>.....</u>
GRANTS SCHEDULED FOR PAYMENT IN FISCAL YEAR:		
1978	.....	8,325,503
1979	6,663,414	2,019,650
1980	2,834,516	536,674
1981	1,545,550	172,000
1982	<u>1,239,000</u>	<u>70,000</u>
Total unpaid grants	<u>12,282,480</u>	<u>11,123,827</u>
FUND BALANCES (Notes 1, 2, and 5)	<u>183,844,322</u>	<u>183,314,970</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$197,827,766</u>	<u>\$194,980,774</u>

See accompanying Notes to Financial Statements.

**STATEMENT OF CHANGES IN FUND BALANCES FOR
THE YEARS ENDED NOVEMBER 30, 1978 AND 1977**

	1978	1977
INCOME FUND:		
Investment income:		
Dividends	\$ 4,445,380	\$ 4,016,762
Interest	7,060,187	7,029,523
Other income	2,842	17,298
Less:		
Investment expenses (Note 4)	(362,404)	(337,285)
Provision for Federal excise tax (Note 3)	<u>(223,000)</u>	<u>(457,000)</u>
Net investment income	10,923,005	10,269,298
Administrative expenses (Note 4)	<u>(614,635)</u>	<u>(533,013)</u>
Investment income available for grant appropriation	10,308,370	9,736,285
Grants appropriated during year-net of cancellations	<u>(9,681,835)</u>	<u>(10,775,266)</u>
Grants (over) under income available:		
Current year	626,535	(1,038,981)
Prior years	<u>(10,059,155)</u>	<u>(9,020,174)</u>
End of year	<u>(9,432,620)</u>	<u>(10,059,155)</u>
PRINCIPAL FUND:		
Balance beginning of year	193,374,125	201,480,061
Received from estate of A. G. Bush (Note 2)	60,027	34,584
Less legal fees	. . . .	(5,663)
Decrease (increase) in deferred Federal excise taxes	(37,000)	250,000
Net realized loss on security transactions	(2,284,704)	(2,171,457)
Net unrealized appreciation (depreciation) in market value of investments	<u>2,164,494</u>	<u>(6,213,400)</u>
Balance end of year	<u>193,276,942</u>	<u>193,374,125</u>
FUND BALANCES, END OF YEAR	<u><u>\$183,844,322</u></u>	<u><u>\$183,314,970</u></u>

See accompanying Notes to Financial Statements.

**STATEMENTS OF CHANGES IN CASH BALANCES
FOR THE YEARS ENDED NOVEMBER 30, 1978 AND 1977**

	1978	1977
CASH PROVIDED FROM INCOME AND GRANT TRANSACTIONS:		
Source:		
Receipts from dividends, interest and other	\$ 11,345,668	\$ 11,773,421
Less disbursements for investment and administrative expenses, Federal excise taxes and other expenditures	<u>(1,504,021)</u>	<u>(1,442,112)</u>
Cash available for grants	9,841,647	10,331,309
Application:		
Grants paid	<u>8,523,182</u>	<u>9,879,189</u>
Increase in cash from income and grant transactions	1,318,465	452,120
NET PAYMENTS FOR INVESTMENT TRANSACTIONS	<u>1,671,088</u>	<u>(264,564)</u>
Increase (decrease) in cash	(352,623)	187,556
CASH BALANCE, beginning of year	<u>669,590</u>	<u>482,034</u>
CASH BALANCE, end of year	<u>\$ 316,967</u>	<u>\$ 669,590</u>

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

(1) *Accounting Policies:*

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

Description of Funds:

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

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

Investments:

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

Property:

The Foundation follows for financial reporting purposes the method allowed by Internal Revenue Service regulations of allocating the cost of property (principally office furniture and office equipment) between income-producing and grantmaking activities. The allocated cost of income-producing assets is capitalized and depreciated over the property's useful life; the cost of assets allocated to grantmaking activities is charged to operations in the year of acquisition. Such charges to the income fund were \$16,594 in 1978 and \$33,145 in 1977.

Grant Appropriations:

Grants are recorded when approved by the Foundation's Board of Directors. Cancellations of grants occur when the grantees do not meet the terms under which the grants were awarded. Grants appropriated as reported in the accompanying statement of changes in income fund are net of cancellations of \$238,819 in 1978 and \$187,891 in 1977.

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

The Foundation has an interest in the remaining assets of the Estate of A. G. Bush. These assets have a market value of approximately \$900,000 and are being retained by the Estate pending final settlement of claims against it. The income from these assets is periodically distributed to the Foundation and recorded in the principal fund. Income of \$60,027 was received on such assets in 1978 and \$34,584 in 1977.

On January 26, 1979, the Ramsey County Probate Court approved the final accounting and ordered the distribution of the remaining assets in the Estate to the Foundation, subject to a 30 day appeal period.

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

Federal Excise Taxes:

The Foundation is subject to a 2% (4% in 1977) excise tax on its taxable investment income which principally includes income from investments plus net realized capital gains (net capital losses, however, are not deductible).

Accrued Federal excise taxes at November 30, 1978 included \$37,000 of deferred Federal excise taxes resulting from recorded unrealized appreciation in market value of investments. Deferred taxes of \$250,000 were eliminated in 1977 because there was no unrealized appreciation in market value of investments for Federal excise tax purposes as of November 30, 1977.

Distribution Requirements:

The Foundation is subject to the distribution requirements of the Internal Revenue Code. Accordingly, it must distribute the higher of adjusted net income or 5% of the average market value of its assets as defined. The Foundation has complied with these distribution requirements as of November 30, 1978 and 1977.

(4) *Investment and Administration Expenses:*

The classification of expenses between investment and administration (grant related) activities is determined by either the specific identification of the expenditure or are allocated based on management estimates. The classifications for 1978 and 1977 are as follows:

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

	1977		
	Investment	Administrative	Total
Salaries and staff benefits	\$ 58,558	\$231,503	\$290,061
Investment management	225,799	.....	225,799
Program management	.....	86,100	86,100
Consulting fees	.....	25,971	25,971
Other administrative expenses	52,928	189,439	242,367
Total	<u>\$337,285</u>	<u>\$533,013</u>	<u>\$870,298</u>

(5) *Unrecorded Remainder Interest in Trust:*

The Foundation has a remainder interest in the net assets of a trust which will be recorded upon receipt of the assets. Based upon information furnished by the trustee, the quoted market value of the assets in this trust at November 30, 1978 was approximately \$600,000.

EXHIBIT 1

**SCHEDULE OF INVESTMENTS HELD
NOVEMBER 30, 1978**

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
U.S. Treasury Bills, Certificates of Deposit and Commercial Paper:			
U.S. Treasury Bills:			
7.88% due December 21, 1978	\$ 1,010,000	\$ 989,850	\$ 989,850
6.90% due March 6, 1979	6,500,000	6,089,527	6,089,527
Certificates of Deposit:			
Bankers Trust Company, 10.50% due April 16, 1979	500,000	500,000	500,000
Bankers Trust Company, 10.50% due April 30, 1979	500,000	500,000	500,000
Chemical Bank, 10.05% due January 31, 1979	500,000	500,000	500,000
Chemical Bank, 10.55% due March 15, 1979	500,000	500,000	500,000
Citibank, N.A. 9.625% due January 24, 1979	500,000	500,000	500,000
Citibank, N.A. 9.875% due January 29, 1979	500,000	500,000	500,000
Citibank, N.A. 10.75% due February 15, 1979	500,000	500,000	500,000
Commercial Paper:			
Borg Warner Acceptance Corporation, demand note	1,485,000	1,485,000	1,485,000
Commercial Credit Company, 9.9% note, due December 7, 1978	3,306,000	3,277,816	3,277,816
Commercial Credit Company, 10.0% note, due December 11, 1978	715,000	708,843	708,843
Commercial Credit Company, 10.10% note, due December 18, 1978	515,000	510,376	510,376
Commercial Credit Company, 9.95% note, due December 27, 1978	560,000	555,357	555,357
Commercial Credit Company, demand note	15,000	15,000	15,000
Ford Motor Credit Corporation, 9.95% note, due December 11, 1978	2,225,000	2,205,321	2,205,321
Ford Motor Credit Corporation, 10.05% note, due December 15, 1978	1,279,000	1,268,288	1,268,288
Ford Motor Credit Corporation, 10.0% note, due December 18, 1978	2,350,000	2,329,764	2,329,764
Ford Motor Credit Corporation, 10.0% note, due December 20, 1978	1,993,000	1,976,392	1,976,392
Ford Motor Credit Corporation, demand note	2,756,000	2,756,000	2,756,000
General Electric Credit Corporation, 9.375% note, due December 1, 1978	795,000	788,789	788,789
General Electric Credit Corporation, 10.149% note, due December 21, 1978	135,000	135,000	135,000

Exhibit 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
General Electric Credit Corporation, demand note	\$ 1,374,000	\$ 1,374,000	\$ 1,374,000
General Motors Acceptance Corporation, 9.558% note, due December 15, 1978	470,000	470,000	470,000
General Motors Acceptance Corporation, 9.75% note, due December 22, 1978	396,000	392,783	392,783
General Motors Acceptance Corporation, demand note	3,266,000	3,266,000	3,266,000
International Harvester Credit Corporation, 9.90% note, due December 27, 1978	2,978,000	2,978,000	2,978,000
Montgomery Ward Credit Corporation, 10.0% note, due December 13, 1978	2,313,000	2,293,725	2,293,725
Montgomery Ward Credit Corporation, 10.0% note, due December 13, 1978	754,000	747,717	747,717
Montgomery Ward Credit Corporation, 9.125% note, due December 29, 1978	2,755,000	2,755,000	2,755,000
Penny, J. C. Financial Corporation, 10.135% note, due December 15, 1978	365,000	365,000	365,000
Sears Roebuck Acceptance Corporation, 8.518% note, due December 1, 1978	1,000,000	1,000,000	1,000,000
Sears Roebuck Acceptance Corporation, 10.0% note, due December 18, 1978	608,000	608,000	608,000
Sears Roebuck Acceptance Corporation, 10.0% note, due December 18, 1978	895,000	887,293	887,293
Total U.S. Treasury Bills, Certificates of Deposit and Commercial Paper	46,313,000	45,728,841	45,728,841

Corporate, Foreign and U.S. Government and Government Agency Bonds and Notes:

Abbott Laboratories, 9.20% Registered Sinking Fund Debentures, due October 15, 1999	500,000	521,888	503,125
Aluminum Company of America, 6% Registered Sinking Fund Debentures, due September 15, 1992	500,000	411,266	407,605
Anheuser Busch Company, 9.20% Registered Sinking Fund Debentures, due April 1, 2005	750,000	784,398	755,625
Atlantic Richfield Company, 8.625% Registered Sinking Fund Debentures, due April 1, 2000	750,000	730,725	718,125
Borden, Inc., 8.5% Registered Bond, due April 1, 2004	750,000	734,209	701,250
Caterpillar Tractor Company, 8.60% Registered Bond, due May 1, 1999	750,000	776,859	723,750
Columbia Gas System, 10.125% Registered Debenture, due November 1, 1995	950,000	1,042,735	1,007,000
Continental Oil Company, 8.875% Registered Debenture, due June 1, 2001	750,000	752,788	729,375
Dupont (E.I.) de Nemours & Company, 8.45% Registered Debenture, due November 15, 2004	750,000	759,700	707,813
Exxon Pipeline Company, 7.65% Registered Guaranteed Note, due March 1, 1983	535,000	526,828	502,900
First Federal Savings & Loan Association of Chicago, 8.75% Registered Mortgage Certificate, Series A, due June 1, 2006	421,761	421,761	418,598

Exhibit 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Ford Motor Credit Corporation, 9.70% Registered Debenture, due July 15, 2000	\$ 1,000,000	\$1,046,513	\$ 1,030,000
Ford Motor Company, 7.40% Registered Note, due January 15, 1980	1,000,000	1,007,734	970,190
General Motors Corporation, 8.625% Registered Bond, due April 1, 2005	750,000	740,633	727,500
Gulf States Utilities, 8.625% Registered First Mortgage Bond, due March 1, 2004	750,000	734,810	690,000
Kerr McGee Corporation, 8.5% Registered Sinking Fund Debentures, due June 1, 2006	750,000	719,087	712,500
Kraftco Corporation, 8.375% Registered Bond, due April 15, 2004	750,000	723,662	715,313
Liggett Group, Inc., 7.60% Sinking Fund Debentures, due May 1, 1997	750,000	692,191	638,438
Louisiana Power & Light Company, 9.50% Registered Bond, due November 1, 1981	700,000	721,363	694,750
Monsanto Company, 9.125% Registered Sinking Fund Debentures, due July 1, 2000	1,538,000	1,595,537	1,538,969
Monsanto Company, 8.75% Registered Sinking Fund Debentures, due May 15, 2008	750,000	739,715	750,000
Montana Dakota Utilities, 9.25% Registered First Mortgage Bonds, due September 15, 2003	500,000	497,576	481,250
New York Telephone Company, 8.625% Registered Debentures, due June 15, 2016	750,000	741,635	706,927
Norton Simon, Inc., 9.50% Registered Sinking Fund Debentures, due December 1, 1999	500,000	528,797	516,565
Ontario Province, Canada, 8.875% Registered Debentures, due March 1, 2005	500,000	492,725	494,375
Pacific Telephone & Telegraph Company, 9.625% Registered Debentures, due July 15, 2018	750,000	754,167	749,062
Pacific Telephone & Telegraph Company, 9.625% Registered Debentures, due November 1, 2014	750,000	750,000	750,000
Pioneer Corporation, 9.50% Registered Bonds, due December 15, 1982	500,000	517,526	495,000
Proctor & Gamble Company, 8.25% Registered Sinking Fund Debentures, due March 1, 2005	750,000	718,152	707,812
Public Service Company of Indiana, Inc., 9.625% Registered First Mortgage Bond, due August 1, 1981	1,000,000	999,042	995,000
Searle (G.D.) & Company, 8.70% Registered Debentures, due September 15, 1995	1,000,000	1,021,118	929,380
Sohio/BP Trans Alaska Pipeline Cap Inc., 9.75% Registered Debentures, due December 1, 1999	500,000	509,334	506,875
Southwestern Bell Telephone Company, 8.75% Registered Debentures, due September 1, 2018	1,000,000	974,180	957,500
Sun Oil Company, 8.50% Registered Debentures, due November 15, 2000	1,000,000	1,013,109	940,000
Union Carbide Corporation, 8.50% Registered Debentures, due January 15, 2005	1,500,000	1,526,402	1,406,250
Union Oil Company of California, 8.625% Registered Debentures, due March 1, 2006	750,000	721,426	712,500

Exhibit 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
U.S. Steel Corporation, 4.50% Registered Sinking Fund Debentures, due April 15, 1986	\$ 500,000	\$ 410,606	\$ 395,000
Government National Mortgage Association, 7.50% Pool Number 10599, due March 15, 2006	805,171	804,942	710,563
Government National Mortgage Association, 7.50% Pool Number 7668, due September 15, 2005	901,307	829,410	795,403
Government National Mortgage Association, 8.25% Pool Number 10968, due June 15, 2006	442,383	445,574	412,523
Government National Mortgage Association, 7.50% Pool Number 13696, due November 15, 2006	911,360	849,569	804,275
Government National Mortgage Association, 7.50% Pool Number 10619, due March 15, 2006	935,818	872,417	825,860
Government National Mortgage Association, 9% Pool Number 23725, due October 15, 2008	999,505	977,725	964,822
Federal Home Loan Banks, 8.10% Consolidated Bond, due November 25, 1985	1,000,000	1,016,108	951,250
Federal Home Loan Banks, 8.625% Consolidated Bond, due February 25, 1982	500,000	500,000	490,625
International Bank for Reconstruction and Development, 8.60% Registered Note, due July 15, 1985	500,000	498,861	480,625
Farmers Home Administration, 7.875% Registered Insured Note, due June 30, 1981	500,000	500,000	480,000
U.S. Treasury Note, 7%, due February 15, 1979	500,000	500,969	496,875
U.S. Treasury note, 7.875%, due May 15, 1986	1,500,000	1,500,260	1,416,570
U.S. Treasury Note, 7.50%, due December 31, 1979	1,000,000	1,004,128	975,000
U.S. Treasury Note, 8.375%, due August 31, 1980	500,000	499,962	489,690
U.S. Treasury Note, 8.875% due October 31, 1980	500,000	494,892	493,905
U.S. Treasury Bond, 8.75%, due November 15, 2008	3,500,000	3,472,945	3,482,500
U.S. Treasury Bond, 7.875%, due February 15, 1993	2,000,000	1,966,624	1,843,760
U.S. Treasury Bond, 8.375%, due August 15, 2000	250,000	247,779	240,000
Total Corporate, Foreign and U.S. Government and Government Agency Bonds and Notes	<u>45,640,305</u>	<u>45,342,362</u>	<u>43,740,568</u>
Common Stocks:			
Abbott Laboratories	32,000	748,073	1,016,000
Aetna Life & Casualty Company	35,000	1,158,188	1,338,750
Air Products & Chemicals, Inc.	28,638	382,646	701,631

Exhibit 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Aluminum Company of America	25,000	\$ 1,092,975	\$ 1,146,875
Amax, Inc.	20,000	981,563	912,500
American Can Company	15,000	628,552	532,500
American Express Company	25,000	806,875	784,375
American Home Products Corporation	25,000	800,475	684,375
American Hospital Supply Corporation	30,000	1,098,150	746,250
American Reserve Corporation	25,000	898,444	59,375
American Telephone and Telegraph Company	72,952	3,790,866	4,431,834
Atlantic Richfield Company	20,000	1,154,663	1,092,500
Baxter Travenol Laboratories, Inc.	15,000	628,122	600,000
Beatrice Foods Company	35,000	824,225	809,375
Best Products Company, Inc.	30,000	390,013	742,500
Boeing Company	10,000	527,250	685,000
Bristol Myers Company	20,000	659,838	632,500
Burroughs Corporation	20,000	1,232,347	1,437,500
Cameron Iron Works, Inc.	10,000	298,600	385,000
Caterpillar Tractor Company	20,000	736,815	1,130,000
Citicorp	20,000	559,019	485,000
Connecticut General Insurance Corporation	47,500	1,628,375	1,662,500
Consolidated Foods Corporation	30,000	767,029	671,250
Continental Oil Company	80,000	2,396,416	2,080,000
Data General Corporation	20,000	917,885	1,175,000
Dayton-Hudson Corporation	10,000	356,501	353,750
Deere & Company	30,000	344,816	982,500
Digital Equipment Corporation	14,000	652,680	672,000
Dow Chemical Company	20,000	687,200	525,000
Dravo Corporation	15,000	431,783	463,125
Duke Power Company	50,000	959,853	956,250
DuPont (E.I.) de Nemours & Company	10,000	1,167,338	1,225,000
Eastman Kodak Company	6,000	770,745	351,750
Emerson Electric Company	46,000	1,636,021	1,558,250
Engelhard Minerals & Chemical Corporation	33,000	968,723	895,125
Exxon Corporation	33,000	1,498,071	1,621,125
GATX Corporation	20,000	583,825	497,500
General Electric Company	10,000	533,400	471,250
General Motors Corporation	30,000	2,262,103	1,657,500
General Signal Corporation	22,000	565,492	583,000
Georgia Pacific Corporation	50,000	1,287,860	1,262,500
Gillette Company	20,000	594,895	500,000
Halliburton Company	25,000	1,345,636	1,487,500
Harris Bankcorp, Inc.	10,000	271,625	280,000
Hospital Corporation of America	13,333	181,270	363,315
Houston Natural Gas Corporation	50,000	556,988	1,137,500
Hughes Tool Company	19,000	662,575	809,875
Hyster Company	15,000	395,625	465,000
International Business Machines Corporation	20,313	5,689,026	5,474,354
Johnson Controls, Inc.	8,268	106,404	187,063
K-Mart Corporation	45,000	1,314,800	1,029,375
Kaneb Services, Inc.	45,000	705,357	646,875
Kellogg Company	50,000	755,090	900,000
Longs Drug Stores, Inc.	35,000	825,915	901,250
Lubrizol Corporation	13,000	615,394	560,625
M/A-Com, Inc.	14,000	386,700	458,500

Exhibit 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Mapco, Inc.	19,000	\$ 861,325	\$ 505,875
Marsh & McLennan Companies, Inc.	23,000	1,260,930	1,411,625
McDonald's Corporation	20,000	977,232	940,000
Medtronic, Inc.	10,000	223,750	302,500
Mesa Petroleum Company	20,000	713,088	622,500
Middle South Utilities, Inc.	80,000	1,326,650	1,230,000
Minnesota Mining and Manufacturing Company	100,000	3,482,810	5,937,500
Missouri Pacific Corporation	20,000	921,475	1,032,500
Mobil Corporation	20,000	1,040,708	1,332,500
Motorola, Inc.	22,000	878,615	877,250
National Medical Care, Inc.	22,500	336,812	458,437
Northern States Power Company	20,000	516,175	482,500
Owens-Corning Fiberglas Corporation	40,000	1,275,433	1,125,000
Owens-Illinois, Inc.	35,000	996,450	669,375
Parker Drilling Company	5,000	265,000	283,125
Peabody International Corporation	30,000	731,630	708,750
Perkin-Elmer Corporation	20,000	540,358	497,500
Philip Morris, Inc.	10,000	609,808	690,000
Phillips Petroleum Company	106,000	2,709,299	3,180,000
Pillsbury Company	10,000	238,302	357,500
Pioneer Corporation	20,000	569,400	540,000
Public Service Company of Indiana	30,000	752,400	753,750
Reading & Bates Offshore Drilling Company	16,000	365,257	310,000
Reynolds (R.J.) Industries, Inc.	21,200	990,737	1,158,050
Rowan Companies, Inc.	10,000	156,350	192,500
Schlumberger, Ltd.	22,950	396,243	1,962,225
Smithkline Corporation	34,000	1,740,172	3,085,500
Southern California Edison Company	45,000	1,167,937	1,147,500
Southern Natural Resources, Inc.	30,000	722,307	911,250
Southern Railway Company	5,000	305,370	238,750
Southland Corporation	21,218	522,087	580,843
Standard Oil Company of Indiana	20,000	1,082,750	1,062,500
Sundstrand Corporation	31,200	559,363	655,200
Super Valu Stores, Inc.	30,000	356,680	506,250
Superior Oil Company	3,500	735,125	1,067,500
TRW Inc.	25,000	852,500	921,875
Union Camp Corporation	25,000	1,123,361	1,181,250
Union Pacific Corporation	25,000	1,173,975	1,318,750
Virginia Electric & Power Company	30,000	463,050	412,500
Wachovia Corporation	30,000	537,383	491,250
Walker (Hiram)-Gooderham & Worts, Ltd., Class A	6,100	187,985	196,725
Warner Communications, Inc.	13,000	587,544	614,250
Washington National Corporation	15,000	373,305	335,625
Wells Fargo & Company	40,000	1,070,387	1,045,000
Whirlpool Corporation	40,000	1,003,450	805,000
Xerox Corporation	33,000	2,818,298	1,753,125
Yellow Freight System, Inc.	20,000	701,312	390,000
Total Common Stocks		<u>95,441,693</u>	<u>101,501,052</u>

Exhibit 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Equity Related Preferred Stock and Bonds:			
Burlington Northern Inc., \$2.85 Convertible Preferred Stock	20,000	\$ 1,000,000	\$ 787,500
Government Employees Insurance Company, \$.736 Convertible Preferred Stock	10,000	157,500	126,250
Bally Manufacturing Company, 6% Registered Convertible Subordinated Debenture, due September 15, 1998	200,000	171,164	170,750
Citicorp, 5.75% Registered Convertible Subordinated Note, due June 30, 2000	500,000	393,275	372,500
Digital Equipment Corporation, 4.50% Registered Convertible Subordinated Bond, due December 15, 2002	300,000	284,296	306,000
First Bank System Inc., 6.25% Registered Convertible Sinking Fund Debenture, due June 20, 2000	500,000	436,981	460,000
General Telephone & Electronics Corporation, 6.25% Registered Bond, due September 15, 1996	500,000	455,389	425,000
Houston Lighting & Power Company, 5.50% Registered convertible bond, due February 1, 1985	500,000	449,335	425,000
K-Mart Corporation, 6% Registered Convertible Subordinated Debenture, due July 15, 1999	500,000	481,707	436,875
Mallinckrodt, Inc., 5.75% Registered Convertible Subordinated Debenture, due November 1, 2000	500,000	505,507	470,000
Northwest Bancorporation, 6.75% Registered Convertible Bond, due July 1, 2003	200,000	<u>199,506</u>	<u>198,000</u>
Total Equity Related Preferred Stock and Bonds		<u>4,534,660</u>	<u>4,177,875</u>
Total Common Stocks and Equity Related Preferred Stock and Bonds		<u>99,976,353</u>	<u>105,678,927</u>
Total Investments Held at November 30, 1978		<u><u>\$191,047,556</u></u>	<u><u>\$195,148,336</u></u>