

Tough Economy Doesn't Derail Efforts Of Long Beach Foundations

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Despite the increased fundraising challenges brought on by tough economic times, Long Beach-based philanthropic foundations are steadfast in their various approaches to helping the local community. They concur that the needs remain great, but so too is their resolve to pick it up an extra notch, as the Business Journal discovered in conversations with several local foundation representatives.

A prominent group involved in community giving is the Long Beach Community Foundation (LBCF). Spawned from the Long Beach Estate Planning & Trust Council in 1996, LBCF initiates positive change for the city through strategic grantmaking, stewardship and charitable giving. James Worsham, the president and chief executive officer of the foundation, was heavily involved since the institution's inception and gave the foundation its first donation.

Ten years later, in 2006, the foundation's board of directors obtained nonprofit status with the city and became an independent public charitable organization from its previous operator, the California Community Foundation. The local independent foundation maintains a strong partnership with the statewide entity, which provides legal and technical guidance as well as fund management services.

LBCF has been working with the Knight Foundation for several years, which has a large donor-advised fund. The Knight Foundation recently re-characterized its relationship with LBCF through a new agreement in which Knight gives an additional \$2.5 million into that donor-advised fund over a seven-year period. Worsham said LBCF hopes the balance of that fund will exceed \$5 million in the next five years.

"That would give us \$250,000 a year to make in grants to the Long Beach community. In the last three years, we've worked on a special neighborhood transformation initiative with them where we were making substantial grants to community projects. Last year was over \$750,000, but they've changed. What they'll be doing in the future is adding to their donor advised fund to build it up. The \$250,000 that we will be able to grant out in five or six or seven years will be substantial and self-sustaining," Worsham said.

As of December 2009, LBCF's statement of financial

condition shows \$5.8 million in liabilities and \$6.1 million in net assets. Its statement of activities shows \$2.8 million in support and revenue and \$1.1 million in total expenses.

Worsham said the foundation's grant making is strategic and typically doesn't fund a business that is up and running. The foundation is looking for things that need to be done in the city and focuses grants on those areas.

"We like to think we are headline driven, meaning that whatever the hot buttons of the day are that's where we'll focus our attention. We focus on the greatest needs of the community to the extent possible," Worsham said.

The LBCF focus is on job creation through expanding the digital media arts industry in Long Beach as well as its labor pool. The purpose of creating digital media arts businesses is for creating higher-level jobs that go above basic labor and entry-level work.

"The skills that you learn with digital media arts are transferable from a sound technician to videographers, those types of things. All of the skills in digital media could be adapted to other types of businesses or projects. We want to be promoting that as a way for people to get ahead," Worsham said.

The foundation began promoting this by hosting a digital media arts summit last year with the intent of bringing together aspiring young business people, students of the arts and digital media companies. Because of the summit's success, Worsham said the foundation is considering hosting a second one this year. The foundation also helped incorporate digital media arts training programs in Long Beach with nonprofit organizations and with schools, such as Wilson and Cabrillo High Schools, the Boys & Girls Club and the Community Action Partnership.

Another hot button issue nationwide is literacy. According to the National Center for Education Statistics, 2003 estimates show 33 percent of individuals living in Los Angeles County are lacking basic prose literacy skills. Concerned Long Beach citizens established the Long Beach Public Library Foundation as an independent nonprofit foundation in 1996.

Today, the foundation continues to pay for programs, services and material items that the city cannot provide, including family learning centers at the 12 neighborhood

Memorial Medical Center Foundation members, from left are: Devon Dougherty, vice president; Thomas Poole, vice president; Jeri Stathis, development officer; James Normandin, president; and Julie Heggeness, Gloria Villalobos and Wanda Cockey, development officers. The mission of the foundation is to serve patients through the nonprofit Memorial Medical Center and Miller Children's Hospital, which receive philanthropic gifts and grants that pay for healthcare education, patient care programs, medical research and equipment. (Photograph by the Business Journal's Thomas McConville)



libraries and Raising A Reader, a program designed to promote academic success and literacy by providing free access to technology.

For 2009, the library foundation's program expenses used to support programming totaled \$812,178, according to an audit done the same year. The foundation's operating expenses were \$990,147, which paid for general management and fundraising costs. According to Sara Pillet, executive director of the foundation, a general rule is that at least 75 percent of the total expenses should be used to support programs. In 2009, the foundations total expenses ratio was at 82.03 percent.

According to Pillet, the nonprofit's largest fundraiser of the year is called Grape Expectations, a wine and food pairing event produced by the foundation's board. The event raises on average \$100,000 for the organization. A newer fundraiser the foundation has is called Booked, which is a series of events with speakers and authors. A citywide fundraiser called Long Beach Reads One Book raises awareness and encourages the community to read. The foundation also does estate planning and asks corporations for grants to support these programs.

"We're busy," Pillet said. "I'm sure all non-profits right now are."

Another busy organization is the St. Mary Medical Center Foundation, which is celebrating its 40th anniversary this year with a significant fundraiser. The Sisters of Charity of the Incarnate Word established the foundation in 1970 for the specific purpose of funding health education, programs and services, capital improvements and equipment.

John Wagner, president of St. Mary Medical Center Foundation, said the foundation is conducting a 40th anniversary fundraising campaign to raise \$2.5 million beyond what the foundation normally raises for several strategic initiatives, including obstetrics, cardiology, orthopedic surgery and bariatrics, the stomach stapling procedure that helps people lose weight. The campaign kicked off in March and will continue through December. So far,

according to Wagner, the effort has garnered \$820,000.

"In the old days hospitals were profitable enough that they could pay for renovations of new facilities or new equipment," Wagner said. "In the last 10 years, healthcare has changed, so we've shifted our focus a little bit. We continue to support those community services but we now also try to provide for equipment and renovation and capital needs within the hospital."

In 2010, St. Mary provided \$2,089,077 for programs and services, including funding for a family health program, services for HIV/A.I.D.S. patients, a vision testing and rehabilitation service, cancer support programs and more. For capital improvements and equipment, St. Mary spent \$1,585,211 on facilities renovations, lab upgrades, surgical supplies, and an additional \$63,930 on medical education through an ER Residency program. The foundation's revenue averages about \$5 million per year.

Another prominent medical foundation in Long Beach is the Memorial Medical Center Foundation (MMCF), established in 1961 to enable individuals, corporations, and foundations to support the medical center with philanthropic gifts. According to James Normandin, president, the foundation is currently focusing on fundraising efforts for three initiatives, which include the expansion of the women's hospital, adding 12 new inpatient beds and a new labor and delivery suite; the pediatric hematology/oncology inpatient unit, adding 24 inpatient beds for patients with blood disorders and cancer and expanding the neonatal intensive care unit; and the Todd Cancer Institute, a project which Normandin anticipates to break ground in summer 2011.

Normandin said these initiatives would probably occupy the majority of the foundation's efforts for the upcoming fiscal year and the next, perhaps even into 2013. The foundation provides in excess of \$10 million annually back into the medical center to support clinical research, patient programs, continuing medical education and clinical capital.

"When we sit down with a donor, if they're interested in supporting clinical research, we want to be able to say yes

to do that and be able to report back to them that we used [their] funds for [such a] project,” Normandin said. “It’s a wonderful thing for us.”

Financially, Normandin said MMCF has had consistent growth attributed to the community recognizing the organization as worthy of its support. One of its supporters is Wells Fargo, which awarded 54 grants totaling \$520,750 to nonprofit organizations and schools in Long Beach and Signal Hill in 2009. Wells Fargo is a consistent contributor to the foundation, according to Normandin.

“We’re very grateful for Wells Fargo’s spirit of philanthropy in the greater long Beach community and we’re grateful for the support that they have given us. Their support has been allocated to our Miller Children’s Hospital Long Beach for both some of our expansion [projects] and some of our programs,” Normandin said.

The Archstone Foundation is another health-care-related organization that focuses on an issue that we all have in common – aging. The private foundation formed in 1985 was originally known as the FHP International Foundation. In 1996 the nonprofit grantmaking organization changed its name to the Archstone Foundation to separate itself from FHP, Inc., which was being acquired by PacifiCare Health Systems at the time. Originally, the foundation was slated to address healthcare issues across the board, but later narrowed in on issues specific to aging.

The foundation is at the end of its five-year plan to commit \$1.5 million annually to funding these priorities: preventing falls; preventing elder abuse and neglect; responding to unmet needs of the aging population; and improving end-of-life care. Joe Prevratil, chief executive officer of the Archstone Foundation, said the organization strictly deals with providing services to the frail elderly to help keep them in their homes as long as possible.

“We’re a private grant making organization and our mission is basically to contribute toward the preparation of society in meeting the needs of an aging population,” Prevratil said. “We’re a small foundation that does a tremendous amount of work.” Through last year, Archstone has given more than \$80 million in grants to programs that benefit the elderly.

Also focusing on the issues of the ever-increasing senior population is the SCAN Foundation, which was created in 2008 through a \$205 million contribution from the nonprofit SCAN Health Plan. It focuses on innovative health-care solutions as well as influencing public policy on long-term care financing.

Since its inception, the foundation has given \$15,098,761 in grants, with more than \$10,172,355 for program work in California.



Left to right: St. Mary Medical Center Foundation Executive Vice President Ike Hancock, President John Wagner and Vice President of Campaigns Drew Gagner seen here at the medical facilities located at 1050 Linden Ave. in Downtown Long Beach. The foundation is currently conducting a 40th anniversary fundraising campaign focusing on four clinical areas: obstetrics, cardiology, orthopedic surgery and bariatrics – the stomach stapling procedure to help individuals lose weight. (Photograph by the Business Journal’s Thomas McConville)

The SCAN Foundation’s Board of Directors developed a strategic plan focusing on three funding priorities: public engagement and raise awareness on the importance of long-term care reform; policy development to encourage policy reform; and promising programs for seniors that can be created using SCAN’s Web-based cost and utilization model. These priorities align with the foundation’s vision of caring for seniors so they can live a healthy, independent life. Rene Seidel, vice president of programs and operations, said that everyone in their lifetime will need long term care or end of life care.

“People need to pay attention,” he said. “Seniors in this situation can’t advocate for themselves.” Seidel said institutions like the SCAN Foundation are vital since long-term care is not something the government provides for the people.

Since the SCAN Foundation started at a time when the country fell into an economic tailspin, Seidel said several foundations saw a decrease in investments, which in turn decreased their five percent spend out fund.

“A lot of foundations were in a lot of hurt. Our board had the vision of, ‘We want you to get started right; we want you to stay strong.’ So they authorized us to spend \$7.5 million each year on grants and programs expenses. We are now in the second year of the four-year cycle. Even though we made grants in 2008, we were just starting up. So the cycle really had the vision of, ‘We want you to get started right, we want you to stay,’” Seidel said. ■