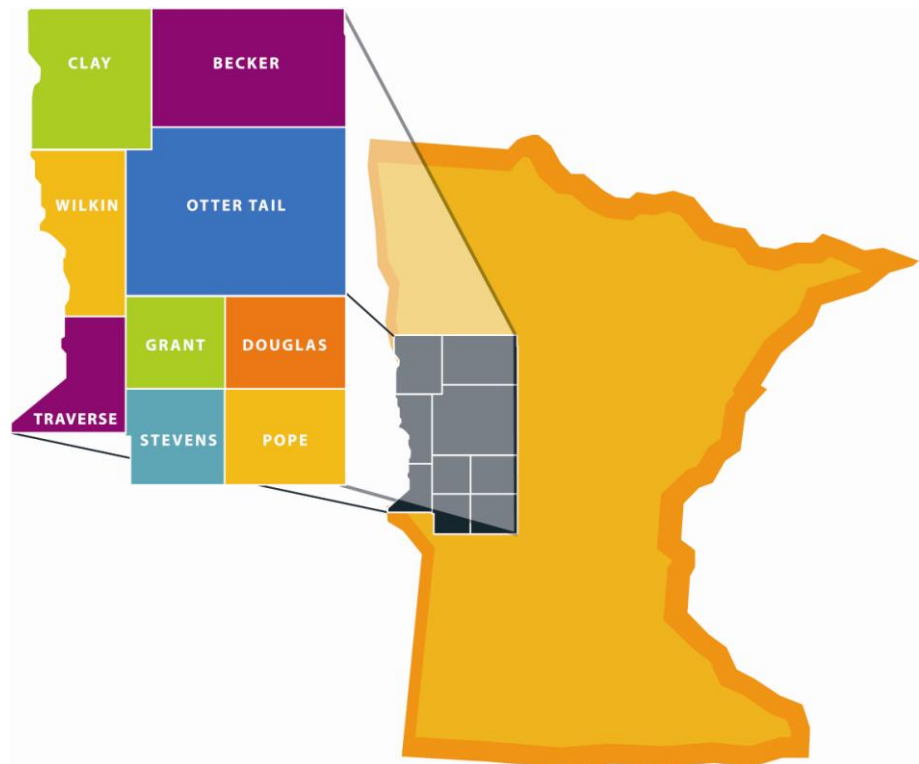


# Five-Year Strategic Plan July 2011- June 2016



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# Executive Summary

How can West Central Initiative (WCI) do the most good in the nine counties we serve in west central Minnesota? By finding the most effective ways to use our funds and utilizing the resources at hand. We form partnerships, listen to community and regional wisdom, research and gather data, then combine all of these resources to guide decisions.

One of the most valuable assets in west central Minnesota is the people who live and work here. We value relationships with people who care about the future of the region and works with those who want to contribute their time, talents and resources to help make the future brighter for generations to come. We also know that new people moving to the region enrich our knowledge and improve the opportunities for all of us.

Using research and data gathered in the past five years, the WCI Board selected seven priority areas for West Central Initiative's strategic plan:

## **1. Supporting business development to create employment and wealth**

WE WILL DO THIS BY:

- Offering loan programs for business start-ups and expansions
- Supporting organizations that provide services to entrepreneurs
- Expanding our small loan program

## **2. Increasing the skills of the workforce**

WE WILL DO THIS BY:

- Supporting skills training for workers in manufacturing
- Convening the regional Labor Force Development Council
- Providing a competitive grant process for innovative approaches to worker training

## **3. Increasing net migration to the region**

WE WILL DO THIS BY:

- Increasing the number and quality of jobs
- Supporting opportunities for manufacturing workers to advance their skills
- Supporting services and providing loans for entrepreneurs
- Helping our communities become better places to raise a family
- Helping communities welcome everyone who would like to call that community home
- Supporting our partners as they provide services to help families overcome financial barriers

**4. Diminishing the need for social programs**

WE WILL DO THIS BY:

- Convening the regional Family Economic Success (FES) Council
- Providing FES grants
- Coordinating and expanding Early Childhood Initiative coalitions throughout the region

**5. Increasing collaboration among empowered citizens**

WE WILL DO THIS BY:

- Participating in meetings throughout the region
- Convening groups to bring together citizens around topics that affect our communities, such as:
  - Transportation Advisory Committee
  - Early Childhood Initiative Coordinators group
  - Economic Development Professionals
  - Pine to Prairie GIS Users Group
  - Economic Development District board
  - Family Economic Success Council
  - Labor Force Development Council
- Encouraging the growth of local component funds, especially community-focused funds
- Supporting leadership development in the region

**6. Promoting philanthropy**

WE WILL DO THIS BY:

- Increasing the number of component funds and philanthropic assets in the region
- Offering technical assistance to nonprofit organizations
- Building WCI's regional endowment to support the future needs of the residents of west central Minnesota

**7. Supporting diversity**

WE WILL DO THIS BY:

- Offering leadership training opportunities that are available without regard to personal financial limitations
- Intentionally inviting people from diverse backgrounds into conversations through community breakfasts and WCI-sponsored events and meetings

## MISSION

Serving to improve west central Minnesota through funding, programs and technical assistance.

## VISION

Uniting ideas and resources to help people and communities create a better tomorrow.

## CORE VALUES

- Community – Building community is the basis for our work.
- Respect – We treat individuals, organizations and communities with respect and compassion.
- Responsiveness – We respond to inquiries and requests in an efficient, timely manner.
- Learning – We are committed to continuous learning and innovation to meet the changing needs of our region.
- Stability – We provide stability by building and managing a sustainable asset base for the region.

WCI's board of directors last modified the Mission, Vision and Core Values in November of 2007, but the basic reason for our existence and the overall goal for our work remain unchanged since 1986: to make the west central region of Minnesota a better place to live, work and play.

We provide funding, programs and technical assistance:

- in a manner consistent with our core values;
- within the limits of available resources;
- in partnership with others who share our vision of a better tomorrow.

## WCI'S PHILOSOPHY

**Working within Community.** We serve groups of people in west central Minnesota who work, communicate and learn together as they strive toward common goals. We provide a means for these diverse groups to solve problems, share knowledge, generate and implement promising practices, develop a supportive network and take collective action. We do this through convening, technical assistance and funding. We don't come to the table as "the expert," preferring to be a partner, and we typically do not lead with money. Instead, we encourage groups to be member-led and depend on the active involvement of participants. Examples include component fund advisor groups, Family Economic Success Council, Labor Force Development Council and Early Childhood Initiative coordinators group.

## INVESTING IN THE FUTURE

A common theme in our work is making this region a better place in which to live and work. We focus our investments in specific areas to make it possible for more people to move to the region and increase the net migration of people to west central Minnesota. Here are our seven priority areas and how we plan to measure success over the long run:

1. **Supporting Business Development to Create Employment and Wealth** – providing more job opportunities with higher wages; measured by net increase in jobs, net increase in average pay in the region and an increase in the total net worth of the people of the region. **We strive to have a higher number of better paying jobs and increase the total net worth of the people of the region.**
2. **Increasing the Skills of the Workforce** – supporting training to help workers become more productive, advance in their careers and become more valuable to their employers; measured by worker productivity and net increase in average pay for workers in the region. **We strive to have a work force that is measurably more productive.**
3. **Increasing net migration to the region** – increasing the number of people in the nine-county region; measured by changes in population numbers, including births and deaths. **We strive to increase the number of people in the nine-county region over the next 10 years.**
4. **Diminishing the Need for Social Programs** – bringing people and organizations together to coordinate services and supports for people working to improve their economic stability; measured by an overall reduction of the use of public support programs within our region in the next 10 years. **We strive to decrease the percentage of our population relying on public assistance.**
5. **Increasing Collaboration Among Empowered Citizens** – offering supports and services to communities seeking positive change, making them more prosperous communities in which to live; measured by the number of individuals and community groups actively involved in community planning, broad-based community efforts such as Early Childhood Initiative coalitions and component funds. **We strive to increase the number of people engaged in working toward the future success of their communities.**
6. **Promoting Philanthropy** – offering community foundation services for the development of local funds and the continued enhancement of an endowment fund to benefit the region; measured by the increase in philanthropic assets held and invested in the region each year. **We strive to increase the permanent philanthropic assets per capita in our region.**
7. **Supporting Diversity** – welcoming new people to the region by supporting communities as their demographics change and helping to address a worker shortage in the region; measured by population and demographic data. **We strive to welcome more new people to our region in the next 10 years.**

## RURAL DEVELOPMENT PHILANTHROPY: THE FRAMEWORK FOR WCI'S STRATEGIC PLAN

WCI is one of eight organizations from across the U.S. that collaborated to develop a framework called Rural Development Philanthropy (RDP), which accurately describes the way we function.

We have chosen to use framing documents from the Rural Development Philanthropy Collaborative as a structure for this strategic plan. Rural Development Philanthropy is defined as: *A community-led approach that creates locally controlled assets and invests them to strengthen rural places. It builds a community's ability to shape a better future and promote the well-being of all community members.* This definition very clearly represents the way that we work within the region and our vision.

RDP uses the tools of economic development, community development and philanthropy to serve the needs and desires of a community. Within the three categories outlined by RDP, our primary investment categories are:

### Economic Development

- Loan programs
- Equity investments
- Business assistance programs
- Economic development planning
- Workforce 2020 training program
- Other Workforce grants
- Family Economic Success program
- Child care capacity grants

### Community Development

- Community planning grants
- Leadership grants
- Early Childhood Initiative and related programs
- Nonprofit technical assistance services and grants
- Transportation planning

### Philanthropy

- Component funds
- WCI endowment



# Regional Outlook

## DATA SOURCES

### Data Collection Practices

We use a variety of data collection practices to obtain a thorough understanding of the region, its demographics, and the needs and aspirations of its residents. We draw heavily upon this data to develop our strategic plan.

In our role as the federally designated Economic Development District for the region, we are responsible for collecting and maintaining information on the region's population, labor force, housing, natural resources, land use, economy, infrastructure and development programs. We use this information to complete a five-year "Comprehensive Economic Development Strategy" (CEDS) for the region and to prepare annual updates. The plan and its updates are reviewed and approved by the federal Economic Development Administration (EDA). The CEDS and the annual updates provide a base of information for processing federal economic development funding applications for the region.

As a designated Economic Development District, we also have access to the information through the EDA Center at the University of Minnesota—Crookston. This center maintains computerized databases of various economic statistics. It also provides access to computerized information systems, projections and estimates developed by the federal Bureau of Economic Analysis (BEA) and the U.S. Department of Commerce. Much of this data is available online and has been used to determine many of the needs described in this document.

Our contract with the Minnesota Department of Transportation (Mn/DOT) to conduct regional transportation planning also provides access to important data. This data is used to determine the impact of the region's transportation system on regional viability and whether or not it is adequate to support future development.

As part of a regional effort to coordinate programs and services that impact the economic success of families, we have collected and analyzed large amounts of data looking at dozens of factors that encourage or block families' economic success. This data has been used to help evaluate the human impact of the proposed Family Economic Success strategies.

Qualitative and quantitative data regarding our programs is collected on an ongoing basis by us and by independent consultants we retain for this purpose. Much of this data is focused on the measurable and perceived impact of our programs. It is used to help us determine which programs and activities have the intended results and, therefore, represent effective strategies for future action. It is also used to identify areas in which we can improve our impact.

We have also collected a significant library of studies and reports prepared by other parties. As a part of this planning process, these materials were scanned for information about regional needs. Many of them are available online at [www.wcif.org/?publications](http://www.wcif.org/?publications).

All of this data, on its own, does not tell us enough about the region to determine which needs represent priorities for action. It is also necessary to look at internal and external perceptions of our role and to review other assets that might be available to meet an identified need.

We gathered data concerning potential roles for the organization in several ways. Internally, we scanned all working documents, minutes of board meetings and board and staff retreats, and solicited board and staff feedback concerning possible current or ongoing roles. This internal review considered information concerning potential roles conveyed to board or staff members by other parties.

External perceptions concerning possible roles for WCI were collected through focus group research, an ongoing series of community breakfast meetings with local leaders and regular dialogue with many of our partners. Focus groups were conducted by independent consulting firms, and community breakfasts were hosted by WCI staff and board members.

## Data Sources

Data utilized in this document comes primarily from sources such as the U.S. Census. In order to make this document more readable, we have not credited the same sources over and over again. U.S. Census data and other data that may be obvious to the reader are not credited in the text. Instead, we provide the following list of unattributed data sources used in this strategic plan:

- Employment, Unemployment, and Wage Data: Labor Market Information, MN Dept. of Employment and Economic Development
- Population Estimates and Projections: Minnesota State Demographer and U. S. Census
- Public Support Program Statistics (MFIP, SSI, Food Stamps, etc.): MN Dept. of Human Services, Statistics Division
- Vital Statistics: MN Dept. of Health, Vital Statistics Division
- All Other Unattributed Data: U.S. Census
- Local economic development and city staff
- Central Minnesota Area Health Education Center
- Lakes Country Service Cooperative

Readers should note that the accuracy of many common data sources used is influenced by the time that has passed since publication of 2000 Census data. In addition, the Census Bureau is now processing the data from the 2010 Census. Once the new data is published, the results may alter some statements and conclusions in this document. The 2010 Census is part of the transition to the use of the 10-question short form to gather data, and the bulk of other long-form questions will now be answered in the American Community Survey (ACS). While the ACS was formerly limited to counties with larger populations, it will now collect data from all counties regardless of population. This means that more information will be updated more frequently than every 10 years. This new data, again, may significantly change some of the statements and conclusions set forth in this document.

As state and federal sources release updated data sets and estimates, we will continue to analyze them and their impact on the goals, objectives and strategies in this strategic plan.

## PRIORITY NEEDS AND RELATED ASSETS

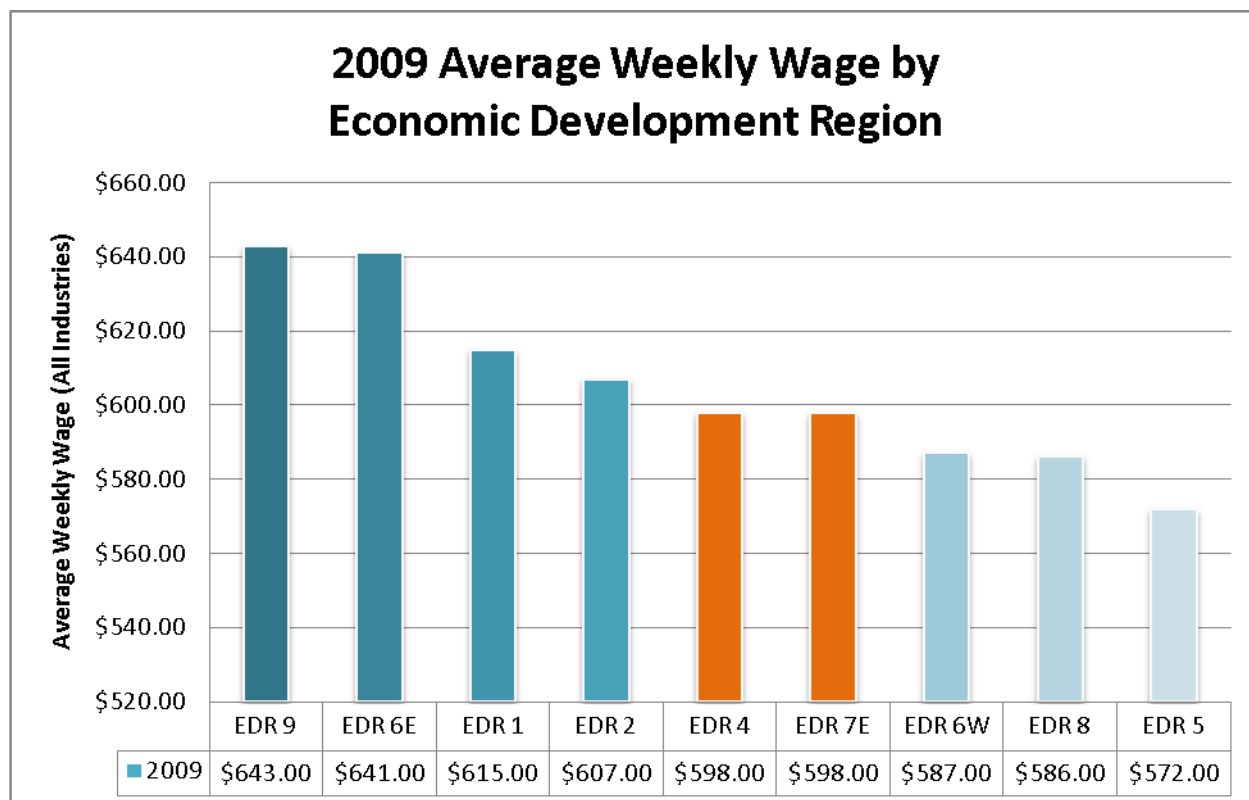
The needs reported in this section were selected through a prioritization process conducted by the WCI Board and staff members with assistance from an independent consultant. In addition to the written data sources credited in this document, a significant amount of data from a variety of sources was presented to the board and staff preceding submission of this proposal. This data was intended to provide everyone with a common base of empirical information to use in setting priorities.

### Economic Development

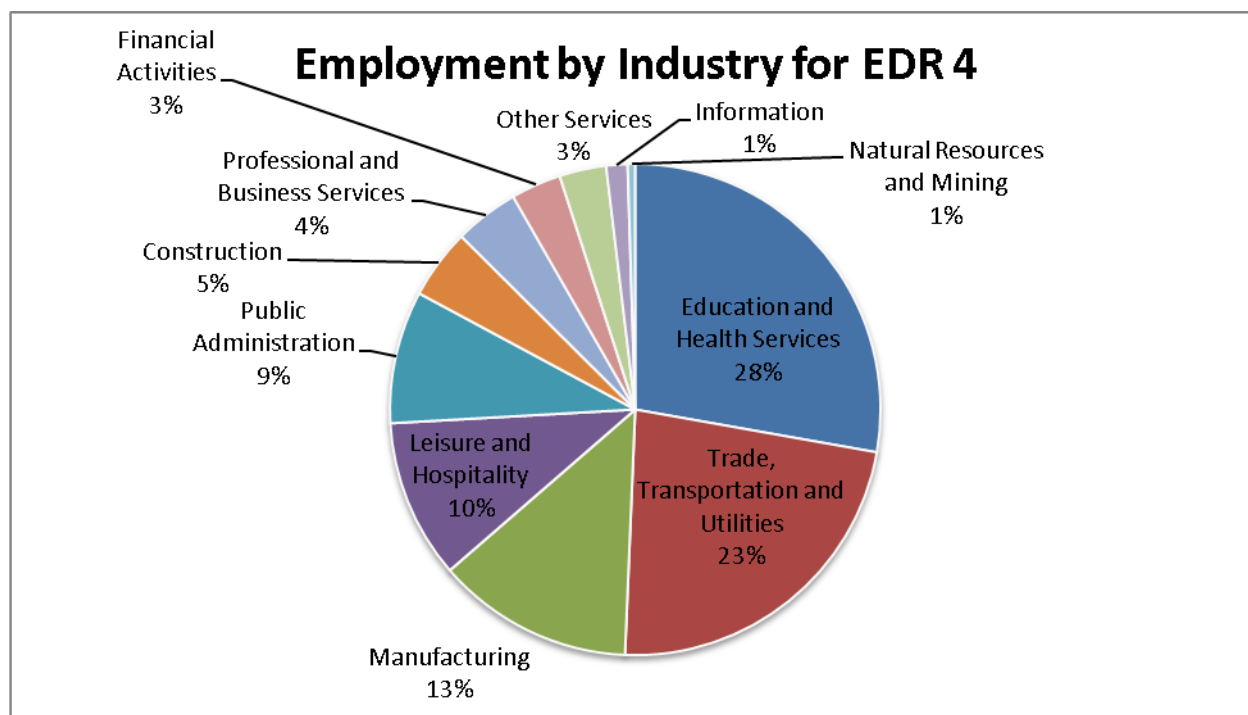
Like the rest of the nation, west central Minnesota has felt the impact of a severe recession in the past few years. Our rural counties were a little more buffered from the effects, thanks to agriculture and agriculture-related businesses doing well during this same period, and the lack of huge increases in housing values in the preceding years.

Over all, in the last five years there has been some improvement in the region's average wage compared to other rural regions and our region is now tied at fifth out of nine rural regions in Minnesota (FIGURE 1).

**FIGURE 1**



Four industries make up 74 percent of the jobs in west central Minnesota (FIGURE 2): Education and Health Services; Trade, Transportation and Utilities; Manufacturing; and Leisure and Hospitality.

**FIGURE 2**

In determining the best use of our resources, we look at industries that provide the best wages for their workers.

In retail (Trade, Transportation and Utilities), there is little indication much will change in the low-wage/low-skill nature of most of the job opportunities. However, there are opportunities for quality employment for owner/operators of small retail firms. Economic development programs can help with the creation and expansion of these self-employment opportunities by helping young companies access capital and support management assistance programs.

The services sector also provides opportunities for self-employment that can produce higher than average earnings for the owner/operator. All of these opportunities can be supported by providing start-up and expansion capital, and management assistance.

Although Leisure and Hospitality is the fourth largest employment sector in the region, because of the very low wages in these jobs, we generally avoid supporting and/or recruiting for these businesses.

We have chosen to focus our investments on helping the manufacturing sector grow because wages are usually substantially higher in that sector and there is often opportunity to advance with added skills training.

The Minnesota Department of Employment and Economic Development (DEED) projects a decreased demand for workers in the manufacturing industry for the Northwest Planning Area (which includes EDR4) over the next few years. DEED forecasts a 1.9 percent decrease in employment from 2006 to 2016. That is a total of 564 fewer jobs, from an industry that employed an estimated 29,974 people in 2006. Previous (pre-recession) projections for manufacturing showed a 3.8 percent *increase* in employment from 2004 to 2014.

**Despite projections, manufacturing remains an important industry for the region, employing a sizable portion of our population. It also creates employment, offers opportunities to bring new money into the region from around the world, develops infrastructure and technology, and builds human capacity in the workforce.**

According to Enterprise Minnesota's State of Manufacturing report, manufacturers are noticeably more optimistic about the economy in 2010 than they were in 2009. More than a quarter of manufacturing executives (26 percent) anticipate economic expansion in 2010. We also know that projections do not have to become reality; west central Minnesota has not experienced much loss of manufacturing jobs over the past 20 years when compared with other rural regions of the state, although it had been projected.

## REGIONAL ASSETS

In addition to WCI resources and programs, there are a number of partners and other assets available to address the need for quality employment in the region. These include local economic development programs, state and federal financial assistance programs, business assistance providers, utility companies and existing businesses in the region. A summary of the assets available and the providers follows (TABLES 1 & 2).

### Loan Program Assets

Economic development loans are provided in the region through a number of state, federal and local programs, in addition to WCI loans. Table 1 shows the loan program assets available to the region that can be used to support development of quality employment opportunities.

**TABLE 1: ASSETS PROVIDING FINANCING FOR QUALITY EMPLOYMENT**

ASSET/PROGRAM	PROVIDED BY
Lending programs	<ul style="list-style-type: none"> <li>• MN Department of Employment &amp; Economic Development (DEED)</li> <li>• The Small Business Development Loan Program</li> <li>• USDA Rural Development <ul style="list-style-type: none"> <li>○ Intermediary Relending Program (IRP)</li> <li>○ Business and Industry Guaranteed Loans (B&amp;I)</li> <li>○ Rural Development Loan Assistance;</li> </ul> </li> <li>• Small Business Administration <ul style="list-style-type: none"> <li>○ SBA 7a, and Low-Doc Loan Programs</li> </ul> </li> <li>• MN Business Finance Corp. SBA 504 loan program</li> <li>• Midwest Minnesota Community Development Corporation <ul style="list-style-type: none"> <li>○ Intermediary Relending Program (IRP)</li> <li>○ Rural Business Enterprise Loan Program</li> </ul> </li> <li>• West Central Initiative <ul style="list-style-type: none"> <li>○ Business and Industry Loan Fund</li> </ul> </li> </ul>
Incentive Programs	<ul style="list-style-type: none"> <li>• MN Department of Employment &amp; Economic Development (DEED) <ul style="list-style-type: none"> <li>○ Minnesota's Job Opportunity Building Zones (JOBZ) program; Benefits will expire in 2015</li> <li>○ The Minnesota Investment Fund Angel Tax Credit</li> </ul> </li> <li>• Midwest Minnesota Community Development Corporation</li> </ul>
Micro Lending	<ul style="list-style-type: none"> <li>• West Central Initiative <ul style="list-style-type: none"> <li>○ Small Enterprise Loan Fund (SELF)</li> <li>○ Component Funds</li> </ul> </li> <li>• Local Economic Development Authorities or Corporations</li> </ul>
Equity Investors	<ul style="list-style-type: none"> <li>• Granite Equity</li> <li>• RAIN Source Capital</li> <li>• Local investors</li> </ul>

### Business Assistance Assets

Table 2 shows the assets available in the region for business assistance. While these assets cover a wide range of needs, the levels of certain services, especially management assistance, are not sufficient to meet the need.

Enterprise Minnesota, a major service provider to manufacturing companies, is a strong partner for WCI. The Small Business Development Center, another WCI partner, has seen static levels of federal funding, decreasing the number of clients they can serve as inflationary pressures drive up costs. Comprehensive entrepreneurial training programs have all but disappeared because of lack of funding. Additional services are being provided by Minnesota State Community and Technical College in Detroit Lakes and Alexandria Technical College with support from WCI.

**TABLE 2: ASSETS FOR ASSISTANCE TO BUSINESSES**

ASSET/PROGRAM	PROVIDED BY
Consulting and Business Services	<ul style="list-style-type: none"> <li>• Enterprise Minnesota</li> <li>• MN Department of Employment &amp; Economic Development (DEED) <ul style="list-style-type: none"> <li>◦ The Small Business Assistance Office</li> </ul> </li> <li>• Small Business Development Center</li> <li>• SCORE</li> <li>• Anderson Center for Management and Business Development</li> <li>• Private Consultants</li> <li>• Angel Investors</li> </ul>
Business Workshops / Classes	<ul style="list-style-type: none"> <li>• Minnesota State Community and Technical College - Detroit Lakes</li> <li>• Alexandria Technical College</li> <li>• Anderson Center for Management and Business Development</li> </ul>
Incubator space	<ul style="list-style-type: none"> <li>• Minnesota State Community and Technical College - Detroit Lakes - Business &amp; Entrepreneurial Services</li> </ul>

### **Workforce**

The WCI Board also indicated that a skilled workforce is a high-priority area for us, and that it is closely tied to the success of our businesses and economic development programs.

Since the 1980s, west central Minnesota has experienced decreasing numbers of people in its potential labor force due to a number of factors including the out-migration of young families, disability, retirement, export of the region's youth and a reduction in the number of farms in the region.

West central Minnesota has enjoyed relatively low unemployment in the past 15 years, but it has spiked in the past two years due to the economic downturn. While currently there are more job seekers and fewer jobs, this statistic will likely change moving forward. According to DEED, the labor force will be significantly impacted by the wave of retiring Baby Boomers from 2000 to 2030. The region is expected to encounter a decrease in the working-age population for the next 16 years before rebounding in 2030. This reduction in the working-age population coupled with the anticipated growth in jobs will lead to a shortage of workers.

## REGIONAL ASSETS

There are many organizations that address portions of the need for skilled labor in the region. The Labor Force Development Council (LFDC), which we convene, provides a platform for collaboration and information sharing. Table 3 describes other assets available in the region to address workforce needs.

**TABLE 3: ASSETS FOR WORKFORCE NEEDS**

ASSET/PROGRAM	PROVIDED BY
On-the-Job Worker Re/training	<ul style="list-style-type: none"> <li>• Businesses</li> <li>• Enterprise Minnesota</li> <li>• Specialized Consultants</li> <li>• Technical Colleges</li> <li>• Rural Minnesota Concentrated Employment Program (Rural Minnesota CEP)</li> <li>• Experience Works!</li> </ul>
Regional Planning/Coordination	<ul style="list-style-type: none"> <li>• Labor Force Development Council</li> <li>• Workforce Investment Board</li> <li>• Packaging Machine Manufacturing Consortium</li> <li>• Tri-State Manufacturers Association</li> <li>• MN Department of Employment &amp; Economic Development (DEED)</li> <li>• Central Minnesota Area Health Education Center (AHEC)</li> </ul>
Resources for Job Seekers	<ul style="list-style-type: none"> <li>• Community Action Agencies • County Social Services Agencies</li> <li>• MN Workforce Centers • Northern Connections</li> <li>• Rural Minnesota Concentrated Employment Program</li> <li>• MN Department of Employment &amp; Economic Development (DEED) Labor Market Information</li> </ul>
Training for Entering & Re-entering Workers	<ul style="list-style-type: none"> <li>• High School Vocational Programs</li> <li>• Technical Colleges</li> <li>• Rural Minnesota CEP</li> <li>• Adult Basic Education</li> </ul>
Worker Recruitment	<ul style="list-style-type: none"> <li>• Businesses</li> <li>• Local Economic Developers</li> <li>• MN Workforce Centers</li> <li>• Central Minnesota AHEC</li> <li>• DEED Business Service Specialists</li> </ul>
Youth-Focused Programs	<ul style="list-style-type: none"> <li>• Businesses</li> <li>• K-12 Education</li> <li>• Minnesota Dept. of Education</li> <li>• Post Secondary Education</li> <li>• Rural Minnesota CEP</li> <li>• Lakes Country Service Cooperative</li> <li>• CTIC – Community Transition</li> <li>• Central Minnesota AHEC</li> <li>• Tri-State Manufacturers Association</li> </ul>

## Community Development

A key component for creating vibrant communities is engaged leadership. In rural areas, people are encouraged to “take their turn” doing the difficult and sometimes thankless job as an elected official. Surprisingly, rural communities must recruit far more people to fill leadership positions than their urban counterparts (see table 4).

**TABLE 4 COMPARISON OF RURAL TO URBAN ELECTED LEADERSHIP NEEDS**

	West Central Minnesota	Washington County (Twin Cities metropolitan area)
Population	218,000 (2010 estimate)	232,000 (2010 estimate)
Number of counties	9	1
Number of cities	83	27
Number of townships	238	6
Number of school districts	35	10
Estimated number of elected officials needed (5 x each county, city, township and school district)	1,825	220
Number of residents per official	119	1,054

In urban areas there are typically large numbers of well-qualified and highly-motivated people competing for the few available elected positions. Rural communities use their entire talent pool and often must rely on leaders who have minimal formal training or experience to prepare them for the job. They are people holding normal jobs who agree to run for office because "somebody's got to do it."

In addition, these rural community leaders rarely have much in the way of staff support and expertise to back them up. The entire staff of a typical small city in the region (with about 1,000 people) consists of two to four people. Usually, this includes a maintenance chief who must do almost everything to keep the city's infrastructure functioning, and a city clerk who must do all of the paperwork to keep the city running. Occasionally, it may include some additional part- or full-time help.

Rural communities also do not have as many of the nonprofit organizational structures as their urban counterparts. In 1986, three of WCI's nine counties did not have a single local 501(c)(3) organization other than their churches, healthcare providers and a multi-county community action agency. Even larger communities in the region have very few specialized organizations. In the entire region, the only community with a full range of local services is Moorhead, which benefits from its proximity to Fargo, North Dakota. This shortage of organizational structures impairs the region's ability to respond to some needs. Community development used to rely heavily on the work of service organizations (Lions, Kiwanis, Rotary, etc.) that offered their time, money and even brawn to accomplish community projects. These organizations are seeing a steady decline in membership across the United States.



When communities in the region identify a need and a plan to address it, there is often no organizational structure in place to raise and manage the resources to meet the need. Our community funds as part of our component fund program are designed to address this need.

Unlike most of the state, the west central region is not served by a regional development commission (RDC) or similar regional organization to assist local communities with economic and community development issues. For many years, this meant a shortage of expertise and organizational capacity to deal with some of the issues faced by communities. It also made it impossible for communities or the region to qualify for certain federal funding resources to address economic development needs. Because of the hardship this placed on the region's economic development efforts, local units of government asked us to assume some of the duties of an RDC. We have been serving in this capacity since 1991.

## REGIONAL ASSETS

Table 5 shows that there are organizations, resources and programs available to help communities with assessment, planning and leadership development. These resources are available within the region and work with individual communities. We may act as a liaison for communities and organizations to access these resources via our community leadership grants or by providing contacts.

**TABLE 5: COMMUNITY AND REGIONAL IMPROVEMENT ASSETS**

ASSET/PROGRAM	PROVIDED BY
Community Assessment, Planning, and Technical Assistance	<ul style="list-style-type: none"> <li>• Private Consultants</li> <li>• Staff of Large Communities</li> <li>• Utility Companies</li> <li>• University of Minnesota Morris Center for Small Towns</li> <li>• WCI Staff</li> <li>• University of Minnesota Extension Service</li> <li>• Headwaters Regional Development Commission</li> <li>• Midwest Minnesota Community Development Corporation</li> <li>• Minnesota Design Team</li> <li>• Minnesota Main Street Program</li> <li>• Engineering Firms</li> </ul>
Leadership Development Programs	<ul style="list-style-type: none"> <li>• University of Minnesota Extension Service</li> <li>• Blandin Foundation</li> <li>• Ad Hoc Groups</li> <li>• Chambers of Commerce</li> <li>• Educational Institutions</li> </ul>
Facilitation & Group Process	<ul style="list-style-type: none"> <li>• University of Minnesota Extension Service</li> <li>• Private Consultants</li> <li>• WCI Staff</li> </ul>
Organized Philanthropy	<ul style="list-style-type: none"> <li>• Fargo-Moorhead Area Foundation</li> <li>• Central MN Community Foundation</li> <li>• Minnesota Community Foundation</li> <li>• WCI Component Funds</li> <li>• GiveMn</li> <li>• Leave a Legacy Program</li> <li>• Impact Foundation</li> <li>• Dakota Medical Foundation</li> </ul>

## Philanthropy

Building locally controlled assets that can be used to improve the quality of life is critical to the success of the region. While infusions of financial resources from outside the region have made significant impacts on economic and community development, it is the locally raised and controlled assets that transform attitudes to self-sufficiency and hope for the future.

In urban centers there are typically many nonprofits and foundations that address community needs. In rural areas, foundations and nonprofit organizations are smaller and more likely dependent on volunteer staffing and leadership. Rural community needs are often met by individuals stepping up to help their neighbors in time of need. This spirit of generosity is a hallmark of rural communities.

The west central Minnesota nine-county Intergenerational Transfer of Wealth Study conducted by us in 2005 shows that our region has significant wealth available to build permanent locally controlled philanthropic funds. Between 2005 and 2030, it is estimated that \$2.4 billion dollars will be transferred from one generation to the next. If five percent of this wealth transfer can be donated to permanent local funds, each county could have endowments averaging more than \$13 million each.

Interviews with potential donors show a lack of knowledge about how to build permanent funds through estate gifts or planned gifts during their lifetime. Nonprofit leaders have expressed an interest in building endowed funds but lack the time, resources or knowledge to get started.

Over the past eight years, we have doubled staff resources to promote philanthropy. Grants from component funds have grown from \$380,000 to \$1,300,000 per year and assets have grown from \$5.7 million to \$12 million over the same period.

Building a regional endowment at WCI has continued to attract donors even during hard economic times. Our discussions with long-time donor partners indicate that county commissioners, city councils, business leaders and individuals highlight the need for strong regional resources to help with economic and community development. Our donor partners have exceeded our goals for donations in the last five years.

We will continue to provide philanthropic expertise to our willing partners and build locally controlled financial resources.

## Other Identified Needs and Assets

The most difficult aspect of organizational planning is prioritizing needs and deciding which things are out of our reach. A regional foundation such as WCI could address a potentially endless range of needs. This section will briefly highlight several areas of need that emerged from our planning process as potential priorities. We also highlight the work we are able to do in each area, plus the reasons we chose not to make them priorities for the next five years.

### 1. Agriculture and Agri-Business

Two types of needs were identified in the agriculture and agri-business sector: 1) financing for value-added processing facilities; and 2) research on processing opportunities for area crops.

The financing needs of most value-added processing projects are very large. Smaller projects tend to start at \$20 million, and larger projects can cost hundreds of millions of dollars. **Based on their size and our available capital, we determined that we could have very little impact on feasibility for most of these projects, although we may participate if asked.**

Very small projects, which are within our financial capacity, may qualify for support through our revolving loan programs if the jobs generated are of sufficient quality.

We have made investments in applied research in the past. One lesson learned from these investments is that there is no way to adequately ensure benefit to the region if the concept is commercialized. To be financially viable, these projects must be developed in locations appropriate to the market for the product, without regard to the location of the growers investing in the cooperative. Once applied research on project feasibility has been completed it is difficult to control the use of the information collected. As a result, when we have supported applied research we have found that contractual agreements requiring facilities to be sited in the region are worthless.

Since we have been unable to ensure benefit to the region by supporting research for these projects, and have insufficient loan capital to be a significant factor for most proposed processing facilities, no specific programs in this area are proposed for this strategic plan.

### 2. Community Infrastructure

WCI's 2003 study of rural infrastructure in west central Minnesota uncovered more than \$800 million in infrastructure needs, with over half of the need being for immediate repair or replacement of failing systems.

We obviously do not have the resources to intervene directly in this issue by funding projects; however, the potential consequences of inaction are enormous. As failing systems continue to degrade, each day that goes by sees an increase release of polluting effluents into the region's environment. Water system issues can also create significant public health problems, and storm sewer problems can result in flooded basements and other damage to homes and businesses. Not only are there health and environmental impacts associated with failing infrastructure, there are huge economic impacts as well. Outdated and failing water infrastructure systems affect the communities' vitality and their ability to grow, maintain and compete for people, jobs and businesses.

With limited resources at our disposal, we determined a two-fold plan. First, we would help identify low-cost solutions that can bring the cost of meeting infrastructure needs down for the region's smallest communities.

To follow up our 2003 study, we created a pilot project that looked at the unique infrastructure needs of various west central Minnesota cities and came up with alternative and sustainable total system approaches for water, wastewater and storm water treatment.

We contracted with Yellow Wood Associates, Inc., an independent firm, to use its Green Community Technologies process to conduct an inventory and assessment of the participating cities of Battle Lake, Brandon and Ottertail. The engineering firms of Widseth Smith Nolting and Interstate Engineering worked closely with Yellow Wood. The three municipalities received individualized reports that included options for alternative approaches to water, wastewater and storm water issues. Yellow Wood also developed outlines of the process for other cities to use as they examine their water management issues.

We foresee that some communities will use our new Capital Improvement and Comprehensive Plan grant program (page 34) to create plans for infrastructure remediation.

The second part of the plan is to bring reliable information to community leaders, funders, regulators and policymakers around this topic, encouraging their action to help resolve rural infrastructure problems. We are working with Blueprint Minnesota, a grassroots initiative that seeks to build awareness about the critical role that water infrastructure plays in protecting public health and promoting economic prosperity.

### 3. Healthcare

With the signing of the Patient Protection and Affordable Care Act (ACA) by President Obama in March 2010 and changes made to the law by subsequent legislation, healthcare and more specifically healthcare reform has been under a microscope. The ACA provides plenty of opportunities for changes in healthcare in the near future. However, with the complexities as well as the breadth of the provisions in the ACA, considerable time and energy will need to be spent by policy makers, state officials, healthcare leadership, healthcare providers and consumers to understand the impact of the ACA.

The main focuses for the ACA include: expanding coverage, controlling health care costs and improving the health care delivery system. All of these areas affect west central Minnesota communities and residents; however, local attention can be focused specifically on improving the health care delivery system.

A good first step in improving the healthcare delivery system is ensuring access to necessary dental, medical and mental health services. Access to care is often measured by Health Professions Shortage Areas (HPSAs) that are identified by the Office of Rural Health and Primary Care. As of May 2010, five of our nine counties were designated as Dental HPSAs and six full or partial counties were designated HPSAs for Primary Care. All nine counties were designated as Mental Health HPSAs in 2007 and this status is unlikely to change in 2011 when the mental health designations are reviewed.

The healthcare workforce is a vital component to access to care. Healthcare facilities in the region will need the full spectrum of providers, from assistants and technicians to physicians and pharmacists, in order to improve the health and well being of ourselves and our neighbors. Recruitment and retention of the healthcare workforce will be individualized for each facility and community, but should also be tracked and considered on a regional level for greater success. Looking at recruitment and retention on a regional level also opens the door for federal dollars, many of which are going untapped, through National Health Service Core and the Patient Navigator or Rural Health Network Grant Programs.

Another beneficial impact of looking at the recruitment and retention of the healthcare workforce from a regional level is the attention that has been placed on Health Information Technology (HIT). Due to the increasing speed of changes with technology and the requirement for electronic medical records, healthcare facilities across the country are searching for skilled HIT staff. Rural healthcare facilities may struggle to recruit and retain HIT staff since small HIT departments may face isolation and lack opportunities for professional development and networking.

In addition to having a comprehensive workforce in place, healthcare facilities and community organizations will also have the opportunity to respond to the changing needs of the population. Demographic shifts, specifically the continued increase of aging boomers in the region, will put additional strain on the area healthcare systems. As the push to “age in place” continues, there will be changes in long-term care services. The current cultural paradigm shift from an institutional model to a community model in long-term care facilities is a prime example of change already taking place. There will also be an increased need for contract and agency services, like home health agencies and public health services, and resources for care providers.

WCI can appropriately have an influence on the viability of the region’s healthcare system by helping address healthcare workforce needs. Our efforts in the workforce area will continue to include components to help ensure that the supply of healthcare workers in the region strives to meet the demand.

#### **4. Senior Citizens**

In 2011, the first of the Baby Boomer generation will turn 65. In the next 50 years, the aging of our society will dominate the demographic landscape.

While this trend is evident, our focus groups and other research did not establish a specific role for us in addressing these needs. A few sources did suggest a role for us to ensure that seniors have an appropriate menu of local housing options. In the past few years, the senior housing market has expanded greatly in the region. Most recently, individuals and organizations have utilized WCI’s loan programs to help fund the start-up/expansion of assisted living facilities, in-home care and nursing homes.

The large number of individuals reaching retirement age in the next 5-10 years means businesses need to be concerned about capturing the knowledge these workers have, and finding employees to replace them.

The Labor Force Development Council (LFDC) and WCI are working to raise awareness of the resources available to businesses that can assist them with this transition. In addition, with the workforce shortage that is predicted, it will continue to be a good business practice to employ the

older experienced worker. Not only will this maintain the knowledge base for the company but allow for a flexible employment opportunity for the worker who wants to modify their work/life balance.

During the upcoming strategic planning phase, we will continue to monitor needs and examine potential solutions and future roles for us in this area.

## 5. Social Welfare Programs

We believe that the most effective means for reducing poverty is to increase the economic opportunities for the region's citizens, and to help them benefit from available opportunities. WCI loan programs and workforce training programs are designed specifically for these purposes.

We convene a Family Economic Success (FES) Council that is made up of representatives from regional nonprofits and government organizations. The council meets regularly to come up with tactics to tackle the barriers that keep families from succeeding. In particular, three workgroups focus on:

- **Asset building** — strategies to help families build wealth and save for the future.
- **Early childhood/child care** — resources to ensure that all young children get a good start in life with quality early care and education; and
- **Jobs, careers and employability** — the skills and education necessary to get good jobs and build careers.

We established FES Local and Regional Impact Grants to help fund projects that have been developed in the workgroups.

In 2005, we helped launch Northern Connections, a private, non-profit organization based in Perham, Minn. that serves families in west central Minnesota by connecting individuals to resources that help them achieve financial independence. This completely telephonic service provides one-on-one assistance to help individuals reach financial and personal goals through re-employment, job retention, career advancement and asset accumulation.

Because we believe that prevention is a powerful means of reducing the need for social welfare programs, we are committed to the Early Childhood Initiative and the regional ECI coalitions, which strive to make sure our region's youngest citizens receive the best start in life for a healthy and prosperous future.

## 6. Transportation and Telecommunications

One major component in the strength of the growth in the region's economy, especially its manufacturing sector, is ready access to excellent surface transportation options. The strongest economic growth in the region is concentrated in the I-94 and U.S. Highway 10 corridors. Most of the industrial growth in the region occurs in communities with excellent rail access. Maintaining highway and rail links to the region is critical to the region's long term economic health.

Prior to 1998, in absence of a Regional Development Commission (RDC), there was no organized forum for regional input into state and federal planning for transportation investment in the region. In 1998, we contracted with the Minnesota Department of Transportation (Mn/DOT) to provide transportation planning services for the region. In 1999, we published the first regional transportation plan developed since the disbanding of the region's RDC in 1982. A new plan is published by us every four years.

The level of investment required for transportation projects far exceeds our funding capacities, and millions of dollars in federal, state and local resources are dedicated for this purpose. As a part of our work with communities and the region, we will continue to help meet our critical transportation needs by contracting with Mn/DOT to provide regional transportation planning services; however, we will not undertake any direct funding of transportation projects.

In previous years, we frequently were asked to play a significant role in developing telecommunications infrastructure. The impetus for this was a concern that without our intervention the region might become a "telecommunications backwater." We were seen as having a direct role in enabling the region to benefit from the economic and employment opportunities associated with the new information age. We examined this issue closely and disagreed with the fundamental premise that market forces would be inadequate to bring appropriate telecommunications technologies to most of the region.

Instead, we responded by bringing commercial telecommunications providers together with local stakeholders to examine the market and determine whether market-based solutions could work here. As a result, the telecommunications providers jumped in and began to aggressively offer competitive services, making a full range of telecommunications services available within most of the region's communities.

In 2009, we worked with the EDA Center at the University of Minnesota—Crookston to conduct a regional businesses broadband survey. This was part of a statewide study to determine the impact of broadband technology on businesses throughout Minnesota.

Most recently, the Blandin Foundation has contracted with us to provide regional outreach for its Minnesota Intelligent Rural Communities (MIRC) program. Blandin received a \$4.8 million stimulus grant to help increase broadband access in rural communities across Minnesota. Stevens County is the MIRC site in west central Minnesota.

## 7. Tourism

With thousands of lakes in the region, tourism is an area that often comes up in discussion as a potential area for our involvement. A significant portion of the economy of several communities in the region, including Alexandria, Battle Lake, Detroit Lakes, Osakis, Ottertail, and Perham is reliant on tourism. Given the natural amenities of the region—thousands of lakes and tens of thousands of acres of prime recreational land, it might seem natural that we would have some focus on tourism.

A closer look at the interaction of tourism and the region's economy leads us to a different conclusion. While tourism is certainly economically beneficial for those who own tourism-related businesses, the average weekly wage of workers employed in leisure and hospitality industries is



extremely low, with an average wage of \$199 per week. Most tourism-related jobs can be characterized as low-wage, part-time and seasonal, and almost no jobs in the industry offer benefits. We do not see any reason to invest limited resources in building an economic sector that predominately provides such poor compensation for its workers. We understand the important role of tourism in bringing new people to the region, and acknowledge that it could lead more people to move to the region after a positive vacation experience here.

## 8. Public Education

K-12 public education in Minnesota has shifted gears in the past five years primarily due to fiscal pressures and federal legislation. With a combination of state funding not meeting the demands of inflation and decreasing student enrollments across the region, school district funding has dwindled. As a result, schools have significantly cut both non-instructional and instructional staff. By decreasing instructional staff, schools are also reducing the number of course offerings to students. Many schools try to avoid cutting teacher positions in core areas, including math, science, language arts and social studies. At the expense of holding core areas harmless, course elective offerings have diminished. Schools are attempting to add back electives through online learning and other distance learning programs.

The federal No Child Left Behind (NCLB) Act has placed significant focus on raising student achievement in math, reading and science. NCLB holds districts accountable for increasing student achievement through measurement of results on one annual standardized test. With so much state and federal emphasis on math, reading and science, districts have poured resources into those disciplines, which have arguably compromised a more well-rounded education. Nonetheless, students have become better readers and more knowledgeable in math and science.

Open enrollment in Minnesota marked the first step toward what we know now as school choice. Open enrollment broke down our traditional district borders by allowing students and their parents to choose a school that fits their needs. Most recently, online learning and charter schools have become more prevalent and have given students more educational options. More options have created a more competitive education market, so public education leaders are making creative program changes or additions to attract learners.

District leaders have worked diligently to come up with new ways of consolidating and sharing resources between districts to create efficiencies. Talks of sharing transportation, technology services, administrative services, food services, custodial services and business services between districts are ongoing. Lakes Country Service Cooperative (LCSC) often serves as the platform for approximately 35 school districts in west central Minnesota to discuss sharing opportunities. Technology and business services have recently been established at LCSC as a result of district conversation and needs.

School superintendents and their local boards of education will continue to explore opportunities to share resources with other districts but generally are not interested in full-fledged school consolidation. As the largest employer in many communities, school districts feel the importance of maintaining as much independence as possible. A soured economy has forced districts to explore new avenues to trim budgets and at the same time preserve their identity.



We obviously do not have the resources to have an impact by directly investing in public education programs. The demographic and economic forces impacting the quality of public education systems are both complex and far beyond the capacity of a single organization to change. The revenue shortfall of any one school district in the region could easily consume several times our entire annual program budget. We can not make a significant dent in this problem with traditional grant-making.

Where we have helped is working with communities to establish component funds specifically for their school districts. Residents of the community work together to raise the funds needed to help offset the growing budget gap. For example, in 2009, the Pelican Rapids School Fund was able to save the all-day kindergarten program and a Spanish teacher position.

We foresee a growth in component funds for schools.

## 9. Housing

In our many community breakfast meetings throughout the region, the issue of affordable housing often rose to the top. In 1993, we helped form the West Central Minnesota Housing Partnership to assist underserved communities to preserve, improve and increase affordable housing for low-to moderate-income families and individuals in our nine-county region. Due to state funding cutbacks this organization will be dissolved in late 2010 or early 2011.

We have found that the Home Loan Division of Midwest Minnesota Community Development Corporation (MMCDC) provides affordable home loans to first-time homebuyers and other members of the local workforce. By offering a combination of low-interest loan products and down-payment assistance, they can help provide loans for purchasing a home, new construction, refinancing, remodeling and more.

By partnering with the Northwest Minnesota Housing Cooperative, a construction company owned by local contractors and material suppliers, MMCDC is able to build quality homes, bring affordable housing to rural communities and provide year-round work for local cooperative members.

## 10. Renewable Energy

Minnesota is one of the top producers of renewable energy in the nation and is ranked third in wind energy production and fourth in ethanol production in the nation.

In 2006, we invested \$300,000 in Otter Tail Ag Enterprises to build and run an ethanol plant in Fergus Falls. By February 2009, Otter Tail Ag reported that it was experiencing a prolonged and unforeseen period of negative margins due to “volatile commodity prices, the economic slowdown, over capacity and lower consumption.” The organization was forced to declare bankruptcy that same year. We has chosen not to invest further in Otter Tail Ag Enterprises, although they are still in operation as of this writing.

We have partnered with the Rural Energy Development Initiative (REDI) a statewide program administered by the Southwest Initiative Foundation (SWIF) and sponsored by the State of Minnesota and the Center for Rural Policy and Development.

The goal of REDI is to maximize rural economic development and stabilize rural economies by building renewable energy capacity, expertise and leadership throughout Minnesota. This goal will be accomplished by providing organizing and technical assistance to rural entities seeking to develop wind energy projects for the purpose of selling the energy to an electric utility and by raising awareness of the local economic, community and environmental benefits of renewable energy development.

Through a grant from REDI, we have provided financing for costs related to early-stage project development and feasibility analysis for wind energy electric generation projects that intend to sell the electricity to an electric utility.

An additional REDI grant enabled us to provide funding for five manufacturers to participate in bench-top experiments that will address the concept and feasibility of using the anaerobic digestion process to recover renewable energy from their solid and liquid wastes.

We will continue to monitor the industry and look for ways to be involved, but has chosen not to make it a priority at this time.

# Strategic Plan for West Central Initiative, July 2011-June 2016

# Economic Development

For planning purposes, we have chosen the following definition for Economic Development: *Programs designed to improve the economic well-being and quality of life for people by creating and retaining jobs, increasing workers' incomes and the tax base, and providing the opportunity for continued growth.*

Our overall economic development strategy encompasses all of our programs and services, with our primary focus on making west central Minnesota the place people choose to live. This region abounds in natural beauty and amenities, offering recreational opportunities all year long. For that reason alone, many people would like to live here. But there are other factors to consider when deciding where to live. We have chosen to invest in areas that are directly related to some of these other factors, such as:

- Availability of jobs
- Opportunities to advance in a job
- Support for those who would like to start a business
- Availability of quality child care
- Communities that are great places to raise our next generation of competent and creative workers
- Communities with a positive attitude that are working toward a vibrant, viable future
- Communities that welcome everyone to call their town “home”
- Assistance with building a solid financial future for their family
- A strong nonprofit community to support the needs families may encounter throughout their lifetime

Specific programs related to economic development offered by us are meant to utilize the power of leverage to achieve the most impact. Specific program areas that impact the factors listed above include:

- Business Development
- Workforce Development
- Economic Development Planning
- Family Economic Success
- Child Care Assistance

**Business Development:** We want to increase a business's chance of success in west central Minnesota. Thriving businesses mean a thriving economy and strong communities in our region. We encourage local ownership of business because they are more likely to stay in the region, which then increases individual and community wealth and economic well-being. We provide resources to businesses covering the range from initial concept to major expansion. We do this by:

- Helping support business assistance programs such as the Small Business Development Center, the Minnesota State Community and Technical College's Business and Entrepreneurial Services Center, Alexandria Technical College's Customized Training Center and Enterprise Minnesota
- Offering loan funds that complement and augment traditional lending sources, such as our Small Enterprise Loan Fund and our Business and Industry Loan Fund
- Seeking innovative ways to help businesses grow and become more competitive through pilot projects such as New Solutions

- Making a few strategic equity investments in businesses that benefit our region

We will continue to support a flexible mix of services to help entrepreneurs start up, expand and/or improve their operations. We will also continue to research and seek equity investment opportunities that fit the needs of our region.

**Workforce Development:** We believe that a well-trained workforce attracts businesses and helps businesses within the region become stronger. Increasing a worker's skill level often means a better-paying job for the worker. With an increase in the number of opportunities, and with more opportunities to advance their skills, more people will move to the region. Our Workforce 2020 training program increases the skills of workers by investing in and supporting worker training that makes employees more productive and therefore, more valuable to their employers. Because the best opportunity for jobs that pay well and offer advancement possibilities exist within the manufacturing sector, we focus the majority of our workforce training investments in manufacturing sector employees.

We see value in encouraging development and sharing information about new ways to prepare workers who don't have the needed skills for careers in the region, careers that can support them and their families. We regularly convene the Labor Force Development Council, a peer-learning council that allows our partners in workforce development to network, work more closely together and engage in mutual problem solving. We encourage the development of innovative approaches to training and preparing workers by offering a competitive grantmaking process.

We will continue to provide grants to support training and retraining of the region's manufacturing workers. These grants are focused on highly technical training not readily available in the region. We will offer Workforce Innovation grants through a competitive application process.

**Economic Development Planning:** Communities that plan for future growth are more likely to access federal dollars and are ready for new and expanding businesses. We work with the communities of west central Minnesota as the regional Economic Development District (EDD) designee. We contract with the Economic Development Administration (EDA) to serve as the EDD designee for Minnesota District IV in place of a Regional Development Commission, which disbanded in our region in 1982. As the designee, we compile the Comprehensive Economic Development Strategy (CEDS) document that lays out the project priorities defined by our counties and cities; convene the regional EDD Board and economic development professionals networking meetings; and provide technical assistance to units of government, which includes applying for project funding from EDA. Technical assistance is also provided to communities relating to other various community and economic development initiatives.

We plan a major revision of the CEDS in correlation with results from our strategic planning process and from data derived from the 2010 Census. We will conduct in-depth community outreach by meeting with key stakeholders in interested communities to gain further insight of their goals and objectives.

**Family Economic Success:** "Children do well when families do well and families do better when they live in supportive communities." That's the premise of the Family Economic Success (FES) program developed by the Annie E. Casey Foundation. Poverty persists in west central Minnesota despite the intense efforts of many organizations. That's why WCI and partner organizations have embraced the FES philosophy and have honed it to fit the needs of the region. In west central Minnesota, there are three FES workgroups that focus on:

- **Asset building** — strategies to help families build wealth and save for the future. Projects include promoting the Earned Income Tax Credit, starting a financial fitness education program and encouraging use of the Bridges to Benefits program to link families to public work support programs and tax credits
- **Early childhood/child care** — resources to ensure that all young children get a good start in life with quality early care and education
- **Jobs, careers and employability** — approaches to finding ways to increase the skills and education—starting in early childhood—necessary to obtain good jobs and build careers

We will work to develop the capacity of programs in the region that build economic self-sufficiency.

**Child Care Assistance:** One of the largest impediments to employment and family economic success is very often access to child care. Over and over at our community input breakfast meetings, parents, employers, city officials, educators and others expressed the urgent need for child care for families in the region. Our child care capacity grants and child care loans were designed to address this need.

We will continue to provide start-up loans to for-profit child care businesses, and start-up and expansion grants to nonprofit and governmental child care centers and after-school programs.

## SUMMARY OF ECONOMIC DEVELOPMENT OBJECTIVES AND MEASUREMENTS

### Loan Programs

- Close \$2 million in new loans per year
- By 2016, we will attain a loan portfolio that exceeds \$10 million, representing a net growth of 25 percent from our loan portfolio balance on June 30, 2010
- We will lend \$250,000 per year through our small loan programs
- We are in the process of applying to become a SBA Micro Lender and anticipate that long-term financial support for this program will come from the SBA

### Business Assistance

During the next five years, we will continue to support a flexible mix of services to help entrepreneurs attempting to start-up, expand, stabilize and improve their operations. In some cases assistance will also be provided to help stabilize companies that have received financing through WCI to protect our investment. As a result, we anticipate the following measurable outcomes:

- 1000 entrepreneurs will receive business assistance services (200 per year)
- 80 percent of the entrepreneurs planning a new business will experience a definitive outcome (creation of a new business or a decision not to proceed with the proposed venture) as a result of the services provided
- 65 percent of the existing businesses participating will experience a net increase in profitability or productivity compared to their previous year of operation
- Flexible pilot projects to encourage business growth like New Solutions

### Equity Investments

We will continue to explore equity investment opportunities that fit the needs of our region and have broad impact.

### Workforce 2020 Training Grants

We will provide grants to support training and retraining of the region's manufacturing workers. These grants will be focused on highly technical training not readily available in the region.

We anticipate the following measurable outcomes:

- 2,500 workers will be trained or retrained with direct support from WCI.
- Clients surveyed by Synovate will report impact on the following:
  - Sales increase
  - Sales retained
  - Cost savings in labor, materials, energy, overhead or other areas
  - Retained jobs
  - Created jobs

- Investment in plant or equipment
- Investment in information systems or software
- Investment in workforce practices or employee skill
- Investment in other areas of business

## **Workforce Innovation Grants**

- WCI will provide grants to organizations to launch innovative workforce development programs.
  - 25 new programs (five per year) will be implemented
  - 75 percent of the programs will continue to be offered in the subsequent year

## **Economic Development Planning**

- Maintain and implement a program of regional economic development planning. This includes:
  - Supporting the planning functions of the Economic Development District
  - Assisting communities in planning and accessing resources for community and economic development projects
  - Providing communities with linkages to demographic data

## **Family Economic Success**

- Support the creation and/or operation of programs and services that provide effective assistance to families as they seek to participate in the workforce and achieve economic success.
  - 20 programs/services will be developed and/or their operation expanded or maintained.
  - Capacity of the supported programs will be expanded to serve at least an additional 500 persons (100 per year).
  - At least 75 percent of those served by these programs each year will attain a measurably positive outcome.

## **Child Care Assistance Programs**

- We will provide start-up loans for for-profit child care businesses through our Small Enterprise Loan Fund.
- We will provide start-up and expansion funding through capacity building grants to nonprofit child care centers and after-school programs.
- 250 additional licensed child care openings will be created (50 per year).



# Community Development

For planning purposes, we have chosen the following definition for Community Development: *Activities that increase positive outcomes within a community by linking individuals and organizations working toward common goals. Community Development empowers people to affect change and control their future, making decisions that result in a better community.*

The best things in life are all about people. Families, friends and relationships with others in our community are all important factors that give us a sense that we are “home.”

Project for Public Spaces, New York, NY, has found that successful communities have four key qualities:

- They are accessible
- People are engaged in activities there
- The space is comfortable and has a good image
- It is a sociable place, one where people like to come together often and where people outside of the community enjoy visiting
- Often it takes organization, visioning and intentionally bringing people together to share their gifts to make a vibrant community

According to Kristina G. Ricketts, assistant professor at the University of Kentucky—Lexington, the key factors shared by growing communities are:

- Effective communication
- Development of social capital
- Community engagement
- Collaboration across and within communities

We assist communities by providing them with the tools, resources and facilitation to engage in all four of these areas. We take an asset-based approach to community development. We believe it is best for residents of the community to identify issues, and that the answers and solutions are best decided by those closest to the challenge. We listen, then partner with those willing to work toward change.

Often, we compile or commission research based on common issues identified by multiple communities. Examples of this include:

- Infrastructure study
- Early Childhood Initiative (ECI) lessons learned
- Broadband use in businesses study
- Public transit study

We share research and promising practices among and between communities, such as early childhood care and education, leadership development and component fund successes.

We work in Community Development will be focused on:

- Regional Transportation Planning
- Early Childhood Initiative
- Leadership Development
- Community Mobilization
- Nonprofit Technical Assistance and Grants

**Transportation Planning:** We contract with the Minnesota Department of Transportation (Mn/DOT) to administer a transportation planning program for west central Minnesota. This partnership between Mn/DOT and WCI allows for coordinated, long-range, regional transportation planning and provides access to transportation dollars. Communities can compete better for transportation funds when they have a well thought out plan in place. Although the amount of the contract has remained the same even though costs have risen, We are committed to maintaining a full-time position and has increased our share of the contract amount.

**Early Childhood Initiative:** We are committed to continuing our ECI program to help communities become nurturing places for their youngest residents and their families. We will maintain at least 10 of our existing ECI coalitions and develop three new ones. We will provide technical assistance and support. We will sponsor an annual School Readiness Forum and facilitate several groups, including the ECI coordinators, the regional Help Me Grow interagency early intervention committee, the Early Childhood Dental Network and the Early Childhood Mental Health Network. We will also work to increase local and regional funding to sustain the early childhood work of WCI and the ECI coalitions.

**Leadership Development:** To help create strong, growing communities, diverse community leadership needs to grow as well. At nearly all of our community breakfasts held throughout the region each year, leadership “burn-out” or lack of community leadership are recurrent and pressing issues. Our leadership development grants are designed to help create and sustain community leadership programs throughout the region. Our leadership fellowships help ensure that all segments of our population are represented among our region’s leaders. Despite the high priority expressed by cities, the leadership fellowships that have been offered by WCI are underutilized. Community leadership programs are waning and no new programs have been developed in recent years. We hope to reinvigorate leadership development in the region by hosting a leadership forum that invites communities to bring an entire team for peer learning and developing action plans.

We are committed to supporting existing community leadership programs and to encouraging new leadership development programs designed to be sustainable over time. We will develop a leadership forum to encourage current and new leadership programs and create ongoing supports. We will also continue to provide fellowships and explore options to encourage an increase in the diversity of those receiving training to assume leadership roles in the region.

**Community Mobilization:** The goal of our community mobilization grant is to help communities become more self-reliant by discovering, mapping and mobilizing their local assets. Emphasizing capacities and strengths builds citizen commitment to improving from within. The grant program leverages the facilitation and consulting resources that exist in our region. For example, Stevens County, Alexandria and Fergus Falls have all used the grant for the visioning process of large-scale stewardship initiatives.

**Capital Improvement and Comprehensive Planning Grant:** This new program is an outgrowth of our work in economic development and transportation planning and the needs expressed by cities for help with Capital Improvement (CIP) and Comprehensive plans.

The Capital Improvement and Comprehensive Planning (CICP) Grant Program will make matching grants of up to \$5,000 to assist cities and counties in our region in developing CIPs and Comprehensive Plans for their communities.

Eligible proposals generally must meet established definitions and include minimum content as determined by us. Those incorporating “green” technology and livable community concepts will be given priority for funding.

**Nonprofit Technical Assistance and Grants:** We help nonprofits run as efficiently as possible by providing technical assistance on a whole host of subjects, from sharing fundraising and grantwriting techniques to detailing board roles and responsibilities to serving occasionally as a temporary fiscal agent. In addition, we co-sponsor several nonprofit training workshops each year and offer emergency technical assistance grants (by invitation only). Recent trainings include the Board Leadership Academy, Essentials of Nonprofit Administration and a capacity-building workshop.

Our staff will respond to requests for technical assistance from nonprofits in the region. We will also seek collaborative partners to deliver workshops and conferences that address critical organizational issues for nonprofits.

## SUMMARY OF COMMUNITY DEVELOPMENT OBJECTIVES AND MEASUREMENTS

### Transportation Planning

- Provide transportation planning services for the nine-county region.
- Assure consistent, involved and diverse participation at meetings, including TAC, Trails, and GIS.
- Update and release transportation plans on schedule.
- Assure that public input meetings are well attended.

### Early Childhood Initiative

- Research and respond to the regional and local needs that are identified.
- Maintain at least 10 of our existing ECI communities and add three new ones in the next five years.
- Provide technical assistance and support to ECI communities.
- Sponsor annual School Readiness Forum where local ECI communities will develop a school readiness plan, post it on the WCI website, and implement in the upcoming year.
- Facilitate building regional child care consultation (child care home visiting) infrastructure.
- Facilitate and convene regional Help Me Grow interagency early intervention committee meetings and trainings.
- Facilitate and convene Early Childhood Mental Health Network in the southern five counties and improve early childhood mental health education and access.
- Facilitate and convene Early Childhood Dental Health meetings and improvement of oral health access and education.
- Increase local and regional funding to sustain the early childhood work of WCI and the ECI coalitions.
- Network with state and national early childhood funders and agencies for cross pollination of ideas, best practices and public policy.

### Community Leadership Grants

- We will support existing community leadership programs and encourage development of new leadership development programs designed to be sustainable over time. These grants will be concentrated on supporting resource people who can assist with the motivational and skill development aspects of the programs.
- 600 residents will participate in WCI-supported leadership training opportunities (120 per year).
- We will continue to provide fellowships and explore options to encourage an increase in the diversity of those receiving training to assume leadership roles in the region.
- 50 individuals of diverse backgrounds who would otherwise be unable to participate in leadership training will receive fellowships to support leadership training or otherwise be connected to leadership training opportunities.

## Community Mobilization Grants

- We will provide grants to communities to help them develop a community partnership and a shared community plan for using their own assets in ways that make their community a better place.
- As a result of these grants, we anticipate the following measurable outcomes:
  - 30 issues will be addressed by community groups that form and develop a vision and plan for using their assets to better their community (6 per year).
  - 75 percent of the communities that develop a shared vision will take concrete steps to implement it within 12 months after completion of the visioning process.

## Capital Improvement and Comprehensive Planning Grant

- The CICIP Grant Program will begin as a pilot project in its first year. For the first year, the measurable outcome will be the development of CIP or Comprehensive plans by five communities that previously had no plan.
- If the pilot project is successful, the program will be implemented with a measurable outcome of the development of five CIPs or Comprehensive Plans per year.

## Nonprofit Technical Assistance

- We will respond to requests for technical assistance to nonprofits in our region. The assistance will be limited to staff expertise and not to exceed 10 percent of their time.
- We will seek out collaborative partners to deliver workshops and conferences that address critical organizational issues for non profits. The collaborations will form and disband following cycles of need by non-profits and interest by the partners.
- Nonprofit emergency assistance grants will be available on an invitation-only basis and at the previous funding levels.

# Philanthropy

For planning purposes, we have chosen the following definition for Philanthropy: *Community service or fundraising to access or build locally controlled resources used to improve the well-being of others. This is done in the spirit of giving, supporting our neighbors and contributing to the common good.*

**WCI Endowment Fund:** The WCI Endowment Fund creates a stable funding source for a strong region. It is a secure, long-term funding source that helps us respond to both current and future needs of the nine west central Minnesota counties that we serve. The endowment helps ensure healthy, sustained growth regionally, not just community by community.

Donor services staff will continue to build relationships with existing and prospective donors to reach the overall asset goal of \$50 million by 2025. Over the next five years donor relationships with individuals will be the most important growth area for endowment gifts to WCI.

**Component Funds:** Healthy local communities contribute to a strong region. WCI-administered component funds give communities and other organizations (schools, museums, lake associations, businesses and others) the means to achieve specific goals. Component funds help by providing 501(c)3 status and by developing assets within a community. Component funds are designed to allow many to participate, not just the wealthy. Communities are able to appreciate the assets they have and build a network with others to maximize results. The funds demonstrate the impact of working together to accomplish goals bigger than what a few people can do on their own. Component fund advisors are able to take advantage of our technical assistance to help with case statement writing, organization, fundraising techniques and communication.

Donor services staff will focus on donor advised-type component funds as the leading edge of growth for new funds. Staff will work to increase the number of active component funds from 62 to 75 funds, and total asset growth from \$12 million to \$20 million.

## SUMMARY OF PHILANTHROPY OBJECTIVES AND MEASUREMENTS

### WCI Endowment

- We will dedicate time to cultivating relationships with individuals who may consider making gifts to the endowment. Studies show that nearly 90 percent of the charitable gifts made in America are made by individuals and families and we see this area as one of significant potential.
- Due to the concerns for government entities cited in the WCI Endowment “Lessons Learned” section on page 71, the goal for this group will be to retain 90 percent of their current giving levels in the next five years.
- Corporate donors will also be an important group. Financial institutions have been very satisfied with the work we have done with local entrepreneurs and are good prospects for support. Businesses that have worked with us during expansion projects, start-up projects and training grants will be evaluated and contacted for appropriate levels of support.

- Following this strategy will provide for continued growth, even through the challenging economic environment that many businesses have experienced during the past several years. With diligence and hard work, the goal for the endowment fund for the next five years will be to increase permanent assets to \$34 million from the current \$24 million. This goal will be accomplished by raising \$1,000,000 in new gifts, matching funds and market growth from July 1, 2011 to June 30, 2016. This growth is aligned with the long-term goal of growing the permanent asset level in the endowment to \$50 million by 2025.

## Component Funds

- Stimulate the interest in giving back to local communities among a broad group of interested donors. We will focus on donor advised-type component funds as the leading edge of growth for new funds.
- Grow the number of component funds from 62 to 75 funds, each with active advisor committees that meet at least once a year and make at least one grant per year.
- Grow the combined asset balance for all funds from the current \$12 million to \$20 million by June 30, 2016.

# Detailed Program Descriptions



## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Loan Programs</b>
	<b>Description</b>	<p>We operate a number of loan programs and provide related support services. These loan programs emphasize quality jobs and self-employment opportunities. We support projects that diversify the local economy and help insulate the region from large economic swings due to over-dependence on one or a few economic sectors. On occasion, we support specific projects that address a critical local need for products or services (e.g. health services in an underserved area or groceries in a small town with a concentration of elderly residents). However, the loan programs' primary focus remains on creation and retention of quality jobs and improvement of job opportunities.</p> <ul style="list-style-type: none"> <li>• <u>Revolving Loan Fund</u> We have broadened our efforts in providing gap financing for new and existing businesses by actively utilizing several different sources of funds with unique criteria that delineate the types of projects to which they may be applied. By working creatively and combining assets from various funding sources, our Revolving Loan Fund is becoming more flexible and amenable to diverse funding requests up to \$300,000. Our revolving loan programs will continue over the next five years.</li> <li>• <u>Small Loan Programs</u> We have been very active in supporting small business enterprise and entrepreneurship through the use of the Small Enterprise Loan Fund (SELF). This program provides loans to the small enterprise that needs assistance. Our small loan programs also serve as a tool for addressing shortages of child care in the region, by helping finance child care businesses. SELF loans generally range from \$2,500 to \$35,000. SELF loans will primarily provide financing for equipment acquisition, working capital, or inventory purchases.</li> <li>• <u>Component Fund Loans</u> Our core beliefs include the concept that each community has the ability to improve it's quality of life. In 33 communities, this ability is strengthened by component funds that have the capability to make economic development loans. Component fund loan programs typically work in conjunction with our regional Revolving Loan Fund and our Small Enterprise Loan Fund. Component funds assist with projects that would not otherwise be viable, or that fall outside the guidelines governing use of other loan fund dollars. We also encourage communities to use component funds to address their unique needs. As of June 30, 2010, our portfolio included over \$2 million in component fund loans to 43 businesses. We will continue to support local development through component fund loans.</li> </ul>
	<b>Objectives and Measures</b>	<ul style="list-style-type: none"> <li>• Close \$2 million in new loan receivables per year.</li> <li>• By 2016, we will attain a loan portfolio in excess of \$10 million, a net growth of 25 percent in outstanding principal from our projected portfolio balance on June 30, 2010.</li> <li>• We will lend approximately \$250,000 per year through its small loan programs.</li> <li>• We are in the process of applying to become a SBA Micro Lender and anticipate that long-term financial support for this program will come from the SBA.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• USDA Rural Development</li> <li>• Wells Fargo</li> <li>• Small Business Administration</li> <li>• Minnesota Business Finance Corporation</li> </ul>

		<ul style="list-style-type: none"> <li>• Minnesota Department of Employment and Economic Development (DEED)</li> <li>• Local EDAs</li> <li>• local banks</li> </ul>
	<b>Links</b>	<ul style="list-style-type: none"> <li>• USDA Rural Development: <a href="http://www.rurdev.usda.gov">www.rurdev.usda.gov</a></li> <li>• Small Business Administration: <a href="http://www.sba.gov">www.sba.gov</a></li> <li>• Minnesota Business Finance Corporation: <a href="http://www.mbfc.org">www.mbfc.org</a></li> <li>• DEED: <a href="http://www.positivelyminnesota.com">www.positivelyminnesota.com</a></li> </ul>
<b>CONTEXT</b>	<b>Background</b>	<p>We work to strengthen the economy in the region to sustain families and help them fulfill their aspirations. One of the best ways we've found to do this is by providing loans for business development that support the creation and retention of quality jobs and self-employment opportunities.</p> <p>In the late 1980s, we became a pioneer in establishing loan criteria linked to the creation of higher quality jobs. In the past five years, modified and strengthened job quality criteria became a central consideration in determining whether we would participate in financing a business.</p> <p>From 1986 through June 30, 2010, we have made 835 loans totaling \$31.8 million dollars. These loans contributed to the creation and retention of over 5,900 jobs and leveraged \$165 million dollars in other funding. This effort to create and retain quality jobs has been the backbone of our economic development activities.</p>
	<b>Lessons Learned</b>	<ol style="list-style-type: none"> <li>1. There continues to be high demand for the small loan fund. We will be applying to become a SBA micro lender to leverage more dollars and technical assistance for our small loan program.</li> <li>2. Our portfolio has not grown as rapidly as anticipated due to national slowdown in the economy, which affected manufacturers in our region.</li> <li>3. Due to the economy and the tightening of bank lending, the need for gap lending will continue to grow for the next few years.</li> </ol>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Business Development to Create Employment and Wealth (1)*</li> <li>• Positive Net Migration (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> <li>• We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ul>

## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Business Assistance Program</b>
	<b>Description</b>	To strengthen employers who provide economic opportunities for families, and support regional economic development efforts, we support business assistance programs that help at least 200 businesses per year to access funding, improve their markets, develop sound management practices, and adopt up-to-date technologies and production processes.
	<b>Objectives and Measures</b>	<ul style="list-style-type: none"> <li>During the next five years, we will continue to support a flexible mix of services to help entrepreneurs to start-up, expand, stabilize and improve their operations. In some cases assistance will also be provided to help stabilize companies that have received financing through WCI to protect our investment. As a result, we anticipate the following measurable outcomes: <ul style="list-style-type: none"> <li>1000 entrepreneurs will receive business assistance services (200 per year).</li> <li>80 percent of the entrepreneurs planning a new business will experience a definitive outcome (creation of a new business or a decision not to proceed with the proposed venture) as a result of the services provided.</li> <li>65 percent of the existing businesses participating will experience a net increase in profitability or productivity compared to their previous year of operation.</li> </ul> </li> <li>Explore the viability of pilot projects like New Solutions, which are designed to help companies grow and create more jobs.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>Small Business Development Center</li> <li>Alexandria Technical College</li> <li>Minnesota State Community and Technical College—Business Entrepreneurial Services (BES)</li> <li>Enterprise Minnesota</li> </ul>
	<b>Links</b>	Minnesota Small Business Development Center: <a href="http://www.mnsbdc.com">www.mnsbdc.com</a> Alexandria Technical College: <a href="http://www.alextech.org">www.alextech.org</a> BES: <a href="http://www.minnesota.edu/bes">www.minnesota.edu/bes</a> Enterprise Minnesota: <a href="http://www.enterpriseminnesota.org">www.enterpriseminnesota.org</a>
CONTEXT	<b>Background</b>	<p>We have been supporting business assistance services within its region since 1986. In doing so, we have learned that one size does not fit all. Prospective entrepreneurs in the early stage of planning their business generally require assistance in examining the feasibility of their plans and determining if they are prepared for the time commitment and uncertainty associated with starting a new venture. Most entrepreneurs will need assistance with developing the financial projections and other critical elements of their business plan and financing application. Depending on previous experience in business settings,</p>

		<p>the new entrepreneur may need instruction on how to handle business basics like payroll taxes or bookkeeping.</p> <p>Manufacturers may need assistance in examining the role of new technologies or productivity systems on maintaining their competitiveness in the global marketplace. An entrepreneur may need technical assistance when faced with a particularly difficult business situation that threatens their firm's viability. All of these services may be difficult for an entrepreneur to afford during the early phases of business development and other times when cash flow is tight.</p>
	<b>Lessons Learned</b>	<p>Need for technical assistance continues to grow as government loan programs change and become more complex for banks to recommend and utilize.</p> <p>As part of our commitment to "support a flexible mix of services," We have provided funding to two colleges that offer business and entrepreneurial support.</p> <p>New Solutions is a pilot program developed by WCI and regional partners to enhance the economy of west central Minnesota by providing additional resources to companies that were identified to have high growth potential. Businesses that received support through our New Solutions program have had positive measurable results.</p>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	Business Development to Create Employment and Wealth
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> </ul> <p>Community:</p> <ul style="list-style-type: none"> <li>• We unite the tools of community development, economic development and philanthropy to produce substantial and sustainable results</li> <li>• We build capacity in the community to do more and do better to control its own future.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We strengthen capabilities and develop assets that "stick to" the community and provide long-term value and resilience.</li> </ul>

## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Equity Investments</b>
	<b>Description</b>	The Equity Investment Program was created to strengthen the asset base in west central Minnesota by providing capital to businesses.
	<b>Objectives and Measures</b>	Going forward we will continue to explore equity investment opportunities that fit the needs of our region and have broad impact.
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>Granite Equity II</li> <li>Local EDA's</li> </ul>
	<b>Links</b>	Granite Equity: <a href="http://www.graniteequity.com">www.graniteequity.com</a>
CONTEXT	<b>Background</b>	<ul style="list-style-type: none"> <li>1993- West Central Initiative, Otter Tail Power Company and The Morris State Bank formed West Central Capital Ventures Inc. to provide equity seed money.</li> <li>2005 – In writing the strategic plan, many sources identified a lack of venture capital and equity investment resources in west central Minnesota. This was an impediment to the growth of business ventures in the region. WCI committed to researching options for making equity investments.</li> <li>2008 – Invested in local ethanol plant.</li> <li>2008-2009 – Invested in Granite Equity II.</li> </ul>
	<b>Lessons Learned</b>	<ul style="list-style-type: none"> <li>In 1997 West Central Capital Ventures was dissolved due to lack of use.</li> <li>Investing directly into a business has greater risk than participating with a pool of investors. WCI will continue to look for partners in this process similar to Granite Equity II.</li> </ul>
FOUNDATION	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>Business Development to Create Employment and Wealth (1)*</li> <li>Positive Net Migration (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>We address the tough or critical issues facing communities.</li> <li>We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ul>

## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Workforce 2020 Grants</b>
	<b>Description</b>	Our Workforce 2020 Program is delivered in partnership with Enterprise Minnesota. Enterprise Minnesota provides one-on-one assistance to help businesses identify specific new technologies that may improve their productivity and profitability. When a business decides to implement a new technology, Enterprise Minnesota also helps the business identify specific worker training needs and qualified trainers, and writes an application to our Workforce 2020 program to help support the cost of the training. If we approve a Workforce 2020 grant, Enterprise Minnesota administers the funds. When the project is concluded, Enterprise Minnesota works with the business to prepare a final report.
	<b>Objectives and Measures</b>	<p>We will provide grants to support training and retraining of the region's manufacturing workers. These grants will be focused on highly technical training not readily available in the region.</p> <p>We anticipate the following measurable outcomes:</p> <ul style="list-style-type: none"> <li>• 2,500 workers will be trained or retrained with direct support from WCI.</li> <li>• Clients surveyed by Synovate on behalf of Enterprise Minnesota will report impact on the following: <ul style="list-style-type: none"> <li>○ Increased sales</li> <li>○ Retained sales</li> <li>○ Cost savings in labor, materials, energy, overhead or other areas</li> <li>○ Retained jobs</li> <li>○ Created jobs</li> <li>○ Investment in plant or equipment</li> <li>○ Investment in information systems or software</li> <li>○ Investment in workforce practices or employee skill</li> <li>○ Investment in other areas of business</li> </ul> </li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Enterprise Minnesota</li> <li>• Manufacturers</li> </ul>
	<b>Links</b>	<p>Enterprise Minnesota: <a href="http://www.enterpriseminnesota.org/">http://www.enterpriseminnesota.org/</a></p> <p>Manufacturing Extension Partnership: <a href="http://www.nist.gov/mep/">http://www.nist.gov/mep/</a></p> <p>"Grow Your Own: How economic gardening nurtures local businesses": <a href="http://www.ssireview.org/images/articles/2010WI_WhatWorks_GrowYourOwn.pdf">http://www.ssireview.org/images/articles/2010WI_WhatWorks_GrowYourOwn.pdf</a></p>

<b>CONTEXT</b>	<b>Background</b>	<p>Throughout the 1980s and early 1990s, double-digit unemployment rates in west central Minnesota led us to focus the majority of its resources on creating new employment opportunities in the region. An analysis of preliminary 1990 census data predicted widespread labor shortages throughout the rural upper Midwest beginning in the 1990s and continuing for the foreseeable future.</p> <p>On July 1, 1992, we introduced a grant program to address projected shortages of skilled workers in the region. The program, Workforce 2020, was designed to support the cost of industry-specific retraining of existing workers to take on new technologies. The program focuses on manufacturers and operates as a partnership among WCI, Enterprise Minnesota and individual businesses. Enterprise Minnesota is the Manufacturing Extension Partnership (MEP) serving Minnesota.</p>
	<b>Lessons Learned</b>	<p>In 2006, we commissioned Andrea Lubov, PhD, to conduct a study to measure whether Workforce 2020 adds sufficient value to the businesses to justify the cost that both they and WCI have been incurring.</p> <p>The study found that turnover rates for establishments that participated in the training were lower. The study showed that the non-participating firms could have saved an estimated \$4.3 million in overall turnover costs.</p> <p>Workforce 2020 is evaluated on an ongoing basis via an employer survey and analysis conducted by Synovate, a third-party researcher engaged by Enterprise Minnesota.</p> <p>The impact achieved by the Workforce 2020 program is a product of a number of key factors in its design. Some of these include:</p> <ul style="list-style-type: none"> <li>• The program focuses on manufacturing, a sector that creates new wealth, maximizing impact on workers and the regional economy.</li> <li>• The partnership with Enterprise Minnesota provides a very efficient mechanism for identifying and delivering high-impact training.</li> </ul>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Skilled Workforce (1)*</li> <li>• Positive Net Migration (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> <li>• We partner with those willing to work for change.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We are persistent and patient – working over years if that’s what it takes.</li> <li>• We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ul>

## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Workforce Innovation Grants</b>
	<b>Description</b>	<p>Workforce Innovation Grants are intended to support a variety of workforce development strategies that address chronic skill shortages and increase worker productivity. The grant awards will be made to support skills training for positions that provide an opportunity for the trainee to earn more as they increase their skills. The grants are not intended to support training or work that is already being provided in the region.</p> <p>Examples of activities that may be supported through Workforce Innovation Grants include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Creation of training programs for skills in short supply in the region.</li> <li>• Programs encouraging youth to consider careers within the region.</li> <li>• Efforts to encourage employment of underutilized workers.</li> <li>• Piloting research-based models for recruiting workers with skills in short supply in the region's labor markets.</li> </ul>
	<b>Objectives and Measures</b>	<p>We will provide grants to organizations to launch innovative workforce development programs.</p> <ul style="list-style-type: none"> <li>• 25 new programs (five per year) will be implemented.</li> <li>• 75 percent of the programs will continue to be offered in the subsequent year.</li> </ul>
	<b>Partnerships</b>	<p>Labor Force Development Council Rural Minnesota Concentrated Employment Program Adult Basic Education</p>
	<b>Links</b>	<p>INSIGHT: Center for Community Economic Development <a href="http://www.insightcced.org/programs/workforce.html">www.insightcced.org/programs/workforce.html</a></p>
CONTEXT	<b>Background</b>	<p>We began offering Other Workforce Development Grants in the 1990s as a mechanism to address workforce shortages. The grant program was designed to support development of programs incorporating a variety of models to address workforce retention, retraining and restructuring.</p>
	<b>Lessons Learned</b>	<p>Other Workforce Development Grants have historically been offered on an "invitation only" basis, relying heavily on our involvement. As the role of our staff has changed, we see an opportunity to support innovative efforts within the region by changing our approach to making these grants.</p> <p>In the interest of transparency, we have decided to change this program and offer it more broadly through a regularly scheduled competitive grant process. The program has been renamed "Workforce Innovation."</p>



FOUNDATION	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Skilled Workforce (1)*</li> <li>• Positive Net Migration (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> <li>• We partner with those willing to work for change.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We are persistent and patient – working over years if that’s what it takes.</li> <li>• We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ul>

## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Economic Development Planning</b>
	<b>Description</b>	<p>The Economic Development Planning Program was designed to implement and carry out activities previously addressed by the now disbanded Regional Development Commission. With funding from the Federal Economic Development Administration (EDA) under the Planning Grant, we maintain the Region IV Economic Development District designation which allows the Region to pursue federal grant dollars available through the EDA. Other activities include infrastructure work, community development/planning and technical assistance. These activities are primarily executed through the following:</p> <ul style="list-style-type: none"> <li>• Develop, update, and implement the Comprehensive Economic Development Strategy</li> <li>• Convene the Economic Development Professionals networking group</li> <li>• Utilize GIS data to inform and demonstrate relevant data</li> </ul>
	<b>Objectives and Measures</b>	<p>Maintain and implement a program of regional economic development planning. This includes:</p> <ul style="list-style-type: none"> <li>• Supporting the planning functions of the Economic Development District;</li> <li>• Assisting communities in planning and accessing resources for community and economic development projects;</li> <li>• Providing communities with linkages to demographic data, especially those with 1,000 or less population, and those that do not have access to technology that would enable them to access the data.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Federal Economic Development Administration</li> <li>• Chicago Regional Office of EDA</li> <li>• Minnesota Initiative Foundations and Regional Development</li> <li>• Local Economic Development Planners</li> <li>• Local Planning Staff/Consultants</li> <li>• Elected Officials</li> </ul>
	<b>Links/ Attachments/ More Information</b>	<ul style="list-style-type: none"> <li>• Comprehensive Economic Development Strategy</li> <li>• Infrastructure Study</li> <li>• Minnesota Beautiful Grant</li> <li>• JOBZ</li> <li>• County Renewable Energy Project</li> <li>• Local ECI coordinators and coalitions</li> </ul> <p>The above are located on the WCI website (<a href="http://www.wcif.org">www.wcif.org</a>).</p>

<b>CONTEXT</b>	<b>Background</b>	West central Minnesota is designated by the State of Minnesota as Economic Development Region IV. With the disbanding of the West Central Regional Development Commission in 1982, the EDD designation was suspended. In 1991, we began preparing a regional Overall Economic Development Plan (OEDP). In January of 1995, we received designation as an Economic Development District from the Economic Development Administration (EDA). We are one of the only districts in the nation that is operated as an activity of a charitable foundation. We may also be the only district financially supported wholly through private, voluntary, tax-deductible contributions. The district is governed by a board composed of elected officials, WCI Board members, and others. The EDD Board developed operational guidelines and a project prioritization process for the district, which were adopted in January 1995. Several projects identified in the OEDPs have been implemented. In 1996, we received a planning grant from the EDA to provide planning assistance and advisory services. The EDA planning grant allowed us to hire a full-time staff person to complete the OEDP and provide communities lacking professional economic development services with some assistance for economic development planning and implementation. The OEDP was renamed the Comprehensive Economic Development Strategy (CEDS) in 1999.
	<b>Lessons Learned</b>	<ol style="list-style-type: none"> <li>1. Contact approaches need to be flexible to cater to preferences of each contact, i.e. face-to-face, email, phone</li> <li>2. Regularly seek input and evaluation from groups to identify ways to improve</li> <li>3. In-person community visits are appreciated and vital to maintaining and improving relationships</li> </ol>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Business Development to Create Employment and Wealth (1)*</li> <li>• Positive Net Migration (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Community:</p> <ul style="list-style-type: none"> <li>• We unite the tools of community development, economic development and philanthropy to produce substantial and sustainable results.</li> <li>• We partner with those that are willing to work for change.</li> <li>• We build capacity in the community to do more and do better to control its own future.</li> </ul> <p>Respect:</p> <ul style="list-style-type: none"> <li>• We work to ensure that power and decision-making are in the hands of all those affected by the decision.</li> </ul> <p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> <li>• We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ul>

## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Family Economic Success (FES) Program</b>
	<b>Description</b>	<p>The FES program is designed to support services that help families overcome barriers to workforce participation and self-sufficiency. The associated grant guidelines, application forms and review process were jointly developed by partner agencies. These partners continue to meet quarterly as the FES Council.</p> <p>In 2007, the FES Council decided to organize their work around four goals:</p> <ol style="list-style-type: none"> <li>1. Family members are building skills that qualify them to hold better jobs.</li> <li>2. Job seekers and workers can find and afford the dependable, convenient, and appropriate child care they need to maintain a job.</li> <li>3. Children of working families get the early childhood care and education that prepares them to succeed in school and life.</li> <li>4. Families take advantage of tax benefits <u>and</u> develop knowledge and skills to achieve family economic success.</li> </ol> <p>These goals guide the actions of three FES work groups and are the focus of our two FES grant offerings.</p> <ul style="list-style-type: none"> <li>• FES Region-wide: FES region-wide grants are available only to FES work groups. Work groups may apply for up to \$20,000 on an annual basis. Work groups are encouraged to apply for an additional \$5,000 to be used to reimburse an individual to coordinate their efforts.</li> <li>• FES Local: Grants of \$5,000 are available to anyone in the region to expand or offer new services that will support families in achieving economic success.</li> </ul>
	<b>Objectives and Measures</b>	<p>Support the creation and/or operation of programs and services that provide effective assistance to families as they seek to participate in the workforce and achieve economic success.</p> <ul style="list-style-type: none"> <li>• 20 programs/services will be developed and/or their operation expanded or maintained.</li> <li>• Capacity of the supported programs will be expanded to serve at least an additional 500 persons (100 per year).</li> <li>• At least 75 percent of those served by these programs each year will attain a measurably positive outcome.</li> </ul>
	<b>Partnerships</b>	FES Council members and the organizations they represent.
	<b>Links/ Attachments/ More Information</b>	<p>Family Economic Success:  <a href="http://www.aecf.org/Home/MajorInitiatives/FamilyEconomicSuccess.aspx">http://www.aecf.org/Home/MajorInitiatives/FamilyEconomicSuccess.aspx</a>            "F-E-S Spells Success for Local Families" article  <a href="http://wcif.siteym.com/members/blog_view.asp?id=331144&amp;post=87062&amp;hhSearchTerms=F-E-S+and+spells+and+success+and+for+and+local+and+families">http://wcif.siteym.com/members/blog_view.asp?id=331144&amp;post=87062&amp;hhSearchTerms=F-E-S+and+spells+and+success+and+for+and+local+and+families</a></p>

<b>CONTEXT</b>	<b>Background</b>	In 2003, the Annie E. Casey Foundation (AECF) provided a planning grant to WCI. A primary element of the grant was to engage partners in rethinking and realigning their goals and program activities to fit the AECF Family Economic Success framework. The subsequent addition of FES to our 2007-2011 program offerings was an outgrowth of the planning funded by the AECF. With FES, our programming related to families took on a new economic development emphasis.
	<b>Lessons Learned</b>	<p>Our FES program has received both national and state recognition and appears to be having impact. Accomplishments directly attributable to the FES program are summarized in a 2010 outcome report prepared by UpFront Consulting. Just three years into our FY07-11 strategic plan, capacity in family/workforce programs was already more than double the five-year objective. Positive outcomes had been observed 100 percent of the time in FY07, 08 and 09, ahead of the objective.</p> <p>The partnerships nurtured through the FES network have resulted in some unanticipated results. Examples are listed below:</p> <ul style="list-style-type: none"> <li>• FastTRAC funding accessed to pilot pre-nursing curriculum.</li> <li>• Development and piloting of Leadership Academy for people with lower incomes.</li> </ul>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<p>Diminishing Need for Social Programs (1)* Positive Net Migration (2)*</p> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We are persistent and patient –working over years if that’s what it takes.</li> </ul> <p>Respect:</p> <ul style="list-style-type: none"> <li>• We seek, respect and listen to voices within all cultures and classes in order to build a more just community.</li> <li>• We actively engage those who are most often left out of decision making.</li> <li>• We work to ensure that power and decision-making are in the hands of all those affected by the decision.</li> </ul> <p>Learning:</p> <ul style="list-style-type: none"> <li>• We partner with those willing to work for change.</li> </ul>

## ECONOMIC DEVELOPMENT

STRATEGIC PLAN, JUNE 2011-JULY 2016	<b>Program</b>	<b>Child Care Assistance Program</b>
	<b>Description</b>	<p>The Child Care Capacity Grant program is designed to address the critical and growing shortages of workers in the region by expanding the capacity of child care centers in communities with a shortage of licensed care. Applicants must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• The center must locate in a community where there is a shortage of childcare.</li> <li>• The center must be owned and run by a non-profit or a unit of government.</li> <li>• We do not provide child care capacity grants to organizations that incorporate religious education into their child care services.</li> <li>• We will grant no more than \$750 times the increased licensed capacity created or the existing licensed capacity saved if the center would otherwise close.</li> <li>• Our grants may not be used to fund or reduce existing operating deficits or debt.</li> <li>• Maximum grant awards are \$35,000 for full-day, year-round programs and \$10,000 for an after school child care center</li> <li>• Our grants must be matched on a dollar-for-dollar basis.</li> <li>• Applicants must provide evidence that their venture is likely to cash flow.</li> <li>• Funds may be used for equipment, facilities or cash flow during a "fill-up" period.</li> <li>• Preschool services are not eligible for our support.</li> <li>• The center must have business and financial expertise on its governing body.</li> <li>• The center's CEO must participate in the regional child care centers directors association for the duration of the grant.</li> </ul>
	<b>Objectives and Measures</b>	<ul style="list-style-type: none"> <li>• We will provide start-up loans for for-profit childcare businesses through our Small Enterprise Loan Fund.</li> <li>• We will provide start-up and expansion funding through capacity building grants to nonprofit child care centers and after-school programs. <ul style="list-style-type: none"> <li>○ 250 additional licensed child care openings will be created (50 per year).</li> </ul> </li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Banks</li> <li>• Child Care Resource and Referral</li> <li>• County Child Care Licensors</li> <li>• Small Business Development Center and SCORE (business assistance)</li> </ul>

	<b>Links/ Attachments/ More Information</b>	<ul style="list-style-type: none"> <li>Child Care Capacity Grant application <a href="http://www.wcif.org/resource/resmgr/files/23_childcare_application.doc">http://www.wcif.org/resource/resmgr/files/23_childcare_application.doc</a></li> <li>Minnesota Quality Rating System: An Initiative to Empower Parents and Improve Program Quality <a href="http://www.dhs.state.mn.us/main/groups/children/documents/pub/dhs16_142067.pdf">http://www.dhs.state.mn.us/main/groups/children/documents/pub/dhs16_142067.pdf</a></li> <li>"Child Care, Female Employment, and Economic Growth" <i>This paper describes the linkage between child care, female employment, and regional economic growth.</i> <a href="http://economicdevelopmentandchildcare.org/documents/special_journal_issues/jcdfs/kimmel.pdf">http://economicdevelopmentandchildcare.org/documents/special_journal_issues/jcdfs/kimmel.pdf</a></li> </ul>
<b>CONTEXT</b>	<b>Background</b>	<p>Child Care Grants: Access to child care has been a major impediment to workforce development and family economic advancement in west central Minnesota. That's why we have been working since 1986 to address barriers to the creation of additional child care resources. Most of these efforts have involved providing financial assistance to start-up or expanding licensed child care ventures. We provide grant funding and serve as fiscal host to the West Central Minnesota Child Care Directors Association.</p> <p>SELF Loans: see <i>Loan Programs description</i></p>
	<b>Lessons Learned</b>	<p>Child Care Capacity grants are well known in the region. The most common point of confusion has been that eligibility for the grants is restricted to nonprofits and governmental entities. While the child care capacity grant program is helpful, we have learned that even with start-up help, most nonprofit centers can not cash flow without significant cash or in-kind contributions to supplement income. This is particularly true at times of increased unemployment, as parents who lose their jobs remove their children from child care.</p>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>Diminishing Need for Social Programs (1)*</li> <li>Positive Net Migration (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>We strengthen capabilities and develop assets that "stick to" the community and provide long-term value and resilience.</li> </ul>

## COMMUNITY DEVELOPMENT

STRATEGIC PLAN FY 2012-2016	<b>Program</b>	<b>Transportation Planning</b>
	<b>Description</b>	<p>The primary duties of our Transportation Planning program include:</p> <ul style="list-style-type: none"> <li>• Manage nine-county, citizen-based technical Transportation Advisory Committee (TAC).</li> <li>• Monitor the transportation investment and planning process.</li> <li>• Coordinate with regional economic development activities.</li> <li>• Coordinate with Mn/DOT (assist District 4 with its Long Range Plan), regional transportation authorities, and public transit providers within the planning area.</li> <li>• Coordinate regional multi-use trails development.</li> <li>• Work with local government units and tribal organizations on transportation related issues and transportation project development.</li> <li>• Coordinate local transportation enhancement activities.</li> <li>• Provide support for regional GIS users.</li> </ul>
	<b>Objectives and Measures</b>	<ul style="list-style-type: none"> <li>• Provide transportation planning services for the nine-county region.</li> <li>• Assure consistent, involved and diverse participation at meetings, including TAC, Trails, and GIS.</li> <li>• Update and release transportation plans on schedule.</li> <li>• Assure that public input meetings are well attended.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Minnesota Department of Transportation</li> <li>• Local Units of Government – including Counties, Cities and Townships</li> <li>• White Earth Reservation</li> <li>• Minnesota Regional Development Commissions</li> <li>• Minnesota Department of Natural Resources</li> <li>• Minnesota State Patrol</li> <li>• Minnesota Geospatial Information Office</li> <li>• Minnesota Chapter of the American Planning Association</li> </ul>
	<b>Links/ Attachments</b>	<ul style="list-style-type: none"> <li>• Regional Transportation Plan: <a href="http://www.wcif.org/?page=Transportation_Plan">www.wcif.org/?page=Transportation_Plan</a></li> <li>• Regional Trails Plan: <a href="http://www.wcif.org/?page=Trails_Plan">www.wcif.org/?page=Trails_Plan</a></li> <li>• Regional Transit Study: <a href="http://www.wcif.org/?Transit_Study">www.wcif.org/?Transit_Study</a></li> <li>• Pine to Prairie GIS Users Group: <a href="http://www.wcif.org/?page=GIS">http://www.wcif.org/?page=GIS</a></li> <li>• Minnesota Dept. of Transportation, District 4: <a href="http://www.dot.state.mn.us/d4.html">www.dot.state.mn.us/d4.html</a></li> <li>• Minnesota Regional Development Organizations: <a href="http://www.mrdo.org/">www.mrdo.org/</a></li> </ul>
CONTEXT	<b>Background</b>	<p>In 1982 the Regional Development Commission (RDC) that served west central Minnesota was disbanded. This left a gap in regional planning activities related to transportation and economic development planning. We were approached by the Minnesota Department of Transportation (Mn/DOT) in 1997 and asked to conduct regional transportation planning activities. Later that year, we entered into a contractual agreement with Mn/DOT, and hired a transportation planner in early 1998. The relationship between WCI and Mn/DOT is similar to those Mn/DOT has with the RDCs around the state.</p>



	<b>Lessons Learned</b>	<p>Due to the limitations of state budgets in recent years, the Mn/DOT contract amount has stayed the same, even though our costs have increased. Because the transportation planning work is valuable to the region, we have committed to maintaining a full-time position by increasing its share of the contract match.</p> <p>With limited financial resources from the state, and changes in staff duties and organizational structure at WCI, some contract activities are not where they were hoped to be at this point. Trails planning in particular has fallen behind due to a lack of financial resources from state agencies.</p> <p>It was very helpful to establish processes early on to streamline the management of the TAC and other groups. This has helped reduce the amount of time needed to implement membership and other changes when they take place.</p>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Positive Net Migration (1)*</li> <li>• Business Development to Create Employment and Wealth (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> <li>• We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> <li>• We build capacity in the community to do more and do better to control its own future.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We are persistent and patient – working over years if that’s what it takes.</li> </ul> <p>Learning:</p> <ul style="list-style-type: none"> <li>• We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better.</li> </ul> <p>Respect:</p> <ul style="list-style-type: none"> <li>• We actively engage those who are most often left out of decision-making.</li> </ul>

## COMMUNITY DEVELOPMENT

STRATEGIC PLAN FY 2012-2016	<b>Program</b>	<b>Early Childhood Initiative</b>
	<b>Description</b>	<p>The Minnesota Initiative Foundations (MIFs) use a common process to engage community members across all sectors in each Early Childhood Initiative (ECI) community. There are more than 80 local early childhood coalitions in over 200 Greater Minnesota communities. Each MIF chose communities in its region that were ready for action. In the WCI region, 13 coalitions have been established in over 40 communities. The MIFs help guide each coalition through this community organizing model:</p> <ul style="list-style-type: none"> <li>• Build a diverse coalition and hire a coordinator.</li> <li>• Interview community members to determine strengths, opportunities and perceptions.</li> <li>• Host a community “speak out” forum to discuss and raise awareness about early care and education.</li> <li>• Create a community early childhood vision.</li> <li>• Develop and implement an action plan with the support of local coalition task forces.</li> <li>• Sustain local efforts over time.</li> </ul>
	<b>Objectives and Measures</b>	<p>The overarching goal is to research and respond to regional and local needs that are identified.</p> <ul style="list-style-type: none"> <li>• Maintain at least 10 of our existing ECI communities and add three new ones in the next five years.</li> <li>• Provide technical assistance and support to ECI communities.</li> <li>• Sponsor annual School Readiness Forum where local ECI communities will develop a school readiness plan, post it on the WCI website, and implement in the upcoming year.</li> <li>• Facilitate building regional child care consultation (child care home visiting) infrastructure. The goal is to train those who are doing the visits on social-emotional development as well as those doing the child care. The consultants who do the visits will have consultation with an early childhood mental health professional on the work they are doing. This can increase the quality of child care and decrease child expulsions.</li> <li>• Facilitate and convene regional Interagency Early Intervention Committee— now called Help Me Grow—meetings and trainings.</li> <li>• Facilitate and convene Early Childhood Mental Health Network in southern 5 counties and improve early childhood mental health education and access.</li> <li>• Facilitate and convene Early Childhood Dental Network meetings and assist with improving oral health access and education in the region.</li> <li>• Increase local and regional funding to sustain the early childhood work of WCI and the ECI coalitions.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Minnesota Initiative Foundations</li> <li>• Local coordinators and ECI Coalitions</li> <li>• Local and State Public Health</li> <li>• Local and State Human Services</li> <li>• Local and State Head Start</li> <li>• Local and State Early Childhood Family Education</li> <li>• Local and State Child Care Resource and Referral Network</li> </ul>

		<ul style="list-style-type: none"> <li>• Ready 4K</li> <li>• Early Childhood Funders Network</li> <li>• Fathers and Families Network</li> <li>• Prevent Child Abuse MN</li> <li>• Minnesota Coalition for Home Visiting</li> <li>• Minnesota Build</li> </ul>
	<b>Links</b>	<ul style="list-style-type: none"> <li>• The Early Childhood Initiative by WCI: <a href="http://eci.wcif.org">http://eci.wcif.org</a></li> <li>• Early childhood reports: <a href="http://bit.ly/eci-resources">http://bit.ly/eci-resources</a></li> <li>• MN Early Childhood Initiative Report by Wilder Research:</li> <li>• Supporting MN's Youngest Citizens lessons learned 2003-2006: <a href="http://wcif.site-ym.com/resource/resmgr/docs/mn_early_childhood_initiativ.pdf">http://wcif.site-ym.com/resource/resmgr/docs/mn_early_childhood_initiativ.pdf</a></li> <li>• Painting a Brighter Picture of Infant and Early Childhood Mental Health in Greater Minnesota: <a href="http://bit.ly/Thrive-lessons-learned">http://bit.ly/Thrive-lessons-learned</a></li> </ul>
<b>CONTEXT</b>	<b>Background</b>	<p>The Minnesota Initiative Foundations (MIFs) jointly launched the Minnesota Early Childhood Initiative in 2001 thanks to a grant from The McKnight Foundation. The MIFs were inspired and impelled by growing research evidence and awareness about the critical importance of early childhood experience on brain development. The urgency of the early childhood issue brought together the six MIFs for the first major statewide collaboration in our then 15-year history.</p> <p>In west central Minnesota alone, ECI programs leveraged more than \$2 million for the young children in west central Minnesota. One of the most successful endeavors is the Early Childhood Dental Network, which has helped make oral health care and education more accessible to our predominantly rural region by developing mobile outreach clinics as well as trainings and workshops for early childhood professionals, caregivers and family members.</p>
	<b>Lessons Learned</b>	<ol style="list-style-type: none"> <li>1. Start at the grass roots, tried and true community organizing that is inclusive and participatory and often slow.</li> <li>2. Cast a wide net to engage a wide community cross section.</li> <li>3. To succeed every coalition needs a paid local coordinator whose specific job it is to move the work forward.</li> <li>4. Start with a smaller, short-term project that can jump-start coalitions into tackling bigger systemic change.</li> <li>5. Create new networks and use existing networks to bring people together to make local communities and the region the best place it can be for our youngest citizens.</li> <li>6. Allocate enough time and resources because this is a process, so results seldom happen quickly.</li> </ol>

<b>FOUNDATION</b>	<b>WCI Priority Area</b>	Diminishing Need for Social Programs
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> </ul> <p>Stability</p> <ul style="list-style-type: none"> <li>• We are persistent and patient – working over years if that’s what it takes.</li> </ul> <p>Respect:</p> <ul style="list-style-type: none"> <li>• We seek, respect and listen to voices within all cultures and classes in order to build a more just community.</li> </ul> <p>Learning:</p> <ul style="list-style-type: none"> <li>• We partner with those willing to work for change.</li> <li>• We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better.</li> </ul> <p>Community:</p> <ul style="list-style-type: none"> <li>• We build capacity in the community to do more and do better to control its own future.</li> </ul>

## COMMUNITY DEVELOPMENT

STRATEGIC PLAN FY 2012-2016	<b>Program</b>	<b>Community Leadership Development Grants</b> <ul style="list-style-type: none"> <li>Community Leadership Program Grants</li> <li>Community Leadership Fellowships</li> </ul> <p><i>Note: Component Fund Training is addressed in the Philanthropy section of the program descriptions.</i></p>
	<b>Description</b>	<p>There are two elements to our role in community leadership development: grants to community leadership development programs; and fellowships to increase the diversity of the region's leadership pool.</p> <p><u>Community Leadership Program Grants</u> Community Leadership Program Grants are designed to help create and sustain on-going community leadership programs focused on benefiting residents of west central Minnesota. The purpose of the grant program is to expand the base of leaders available to serve the region.</p> <p>All programs requesting support from WCI must incorporate the following:</p> <ul style="list-style-type: none"> <li>Emphasis on enhancing place-based community leadership by developing, connecting and mobilizing citizens</li> <li>A host organization committed to and capable of sustaining the program over time.</li> <li>A non-discriminatory participant selection process.</li> </ul> <p><u>Community Leadership Fellowships</u> we offer Community Leadership Fellowships to help support diverse representation and inclusivity in community leadership programs. The fellowships benefit the region by removing financial barriers. The scholarships can be used to help qualifying individuals meet both tuition and other costs, such as child care, transportation, and lost wages.</p>
	<b>Objectives and Measures</b>	<p>We will financially support existing community leadership programs and encourage the development of new community leadership programs.</p> <ul style="list-style-type: none"> <li>600 residents will participate in WCI-supported leadership training opportunities (120 per year).</li> </ul> <p>We will provide fellowships and explore options to encourage an increase in the diversity of those receiving training to assume leadership roles in the region.</p> <ul style="list-style-type: none"> <li>50 individuals of diverse backgrounds who would otherwise be unable to participate in leadership training will receive fellowships to support community leadership training or otherwise be connected to community leadership training opportunities.</li> </ul> <p>We will organize an event that brings community leadership program developers together to share best practices.</p> <ul style="list-style-type: none"> <li>50 individuals will participate in a community leadership program event</li> </ul>
	<b>Partnerships</b>	University of Minnesota Extension Services
	<b>Links/</b>	Building Leadership Programs Management Guide <a href="https://shop-secure.extension.umn.edu/PublicationDetail.aspx?ID=2025">https://shop-secure.extension.umn.edu/PublicationDetail.aspx?ID=2025</a>

<b>CONTEXT</b>	<b>Background</b>	We have demonstrated a long-term commitment to leadership development in this region. Various needs assessment activities and surveys conducted by us show promotion of community leadership development activities to be a desirable and appropriate role for us.
	<b>Lessons Learned</b>	<p>Nearly all of our forums for gathering information show that leadership development is a very high priority.</p> <p>Despite this, leadership grant support has reached a plateau and is showing signs of waning.</p> <ul style="list-style-type: none"> <li>• Mid-size and smaller communities offering annual programs appear to achieve a point of training saturation. Some have switched from an annual to a bi-annual schedule.</li> <li>• No new community-based leadership programs have been added in recent years.</li> </ul> <p>Along with our commitment to leadership diversity is a pledge to “explore options to encourage an increase in the diversity of those receiving training to assume leadership roles in the region.” The Leadership Academy piloted in the spring of 2010 made good on that pledge. With our support, the Leadership Academy brought leadership training to approximately 20 individuals with lower incomes, representing a wide range of ages and ethnic backgrounds.</p>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Collaboration Exists Among Empowered Citizens (1)*</li> <li>• Diversity is Encouraged and Supported (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Stability:</p> <ul style="list-style-type: none"> <li>• We are persistent and patient –working over years if that’s what it takes.</li> <li>• We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ul> <p>Community</p> <ul style="list-style-type: none"> <li>• We build capacity in the community to do more and do better to control its own future.</li> <li>• We encourage the giving of time, talent, creativity and dollars.</li> </ul> <p>Respect</p> <ul style="list-style-type: none"> <li>• We work to ensure that power and decision-making are in the hands of all those affected by the decision.</li> </ul>

## COMMUNITY DEVELOPMENT

STRATEGIC PLAN FY 2012-2016	<b>Program</b>	<b>Community Mobilization Grants</b>
	<b>Description</b>	<p>The Community Mobilization Grant Program makes matching grants of up to \$5,000 to communities to prepare and organize themselves to take coordinated community action.</p> <p>Eligible projects include broad-based efforts that bring community members together to map their assets (resources/strengths) and plan action that enhances their community's development. The organizations listed below offer services that are eligible for support within this grant program. Alternative sources of technical assistance will be considered on a case-by-case basis as communities inquire about the program.</p> <ul style="list-style-type: none"> <li>• University of Minnesota Extension Services <ul style="list-style-type: none"> <li>○ Business Retention and Expansion</li> <li>○ Local Food System Planning</li> </ul> </li> <li>• Center for Community Stewardship</li> <li>• Minnesota Design Team</li> <li>• Minnesota MainStreet Project</li> </ul> <p>The Community Mobilization Grant Program is not designed to support implementation of action plans.</p>
	<b>Objectives and Measures</b>	<p>We will provide grants to communities to help them develop a community partnership and a shared community plan for using their own assets in ways that make their community a better place.</p> <p>As a result of these grants, we anticipate the following measurable outcomes:</p> <ul style="list-style-type: none"> <li>• 30 community partnerships will develop a plan for using their assets to improve their community (6 per year).</li> <li>• 75 percent of the community partnerships will take steps to implement their plan within 12 months of plan development.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• University of Minnesota Extension Services <ul style="list-style-type: none"> <li>○ Business Retention and Expansion</li> <li>○ Local Food System Planning</li> </ul> </li> <li>• Center for Community Stewardship</li> <li>• Minnesota Design Team</li> <li>• Minnesota MainStreet Project</li> </ul>
	<b>Links</b>	<p>Definition of community mobilization:  <a href="http://en.wikipedia.org/wiki/Community_Mobilization">http://en.wikipedia.org/wiki/Community_Mobilization</a></p>
CONTEXT	<b>Background</b>	<p>In listening to people talk about their communities, we have learned that most love where they live, but want to make things better—to revitalize their downtowns, to improve the local economy, to attract new families and become great places for children and youth.</p> <p>Local people know the most about the community assets they need to build their future. Plus, they tend to support what they create themselves. Since our inception, we have offered grants that support community mobilization—the process of building enthusiasm and commitment within a community to work together to accomplish a common goal.</p>

<b>CONTEXT</b>	<b>Lessons Learned</b>	<p>Over years of offering community mobilization grants (formerly community organizing and visioning), we have learned that effective community mobilization typically unfolds as a series of steps:</p> <ul style="list-style-type: none"> <li>• Coming together</li> <li>• Mapping assets</li> <li>• Action planning</li> <li>• Implementation</li> <li>• Sustaining/re-planning</li> </ul> <p>Each step requires many analytical and supportive resources. Because our own resources are limited, our Community Mobilization Program is designed to take advantage of the community mobilization resources that currently exist in our region. The program's focus on mapping assets and action planning leverages the technical assistance expertise of the organizations listed in the partnership section of this document.</p>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Collaboration Exists Among Empowered Citizens (1)*</li> <li>• Positive Net Migration (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> <li>• We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> </ul> <p>Community:</p> <ul style="list-style-type: none"> <li>• We are measured by our community – based on community results, not on our financial assets or the interests of a chosen few.</li> <li>• We build capacity in the community to do more and do better to control its own future.</li> </ul> <p>Respect:</p> <ul style="list-style-type: none"> <li>• We work to ensure that power and decision-making are in the hands of all those affected by the decision.</li> </ul> <p>Learning:</p> <ul style="list-style-type: none"> <li>• We partner with those willing to work for change.</li> <li>• We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better.</li> </ul>



## COMMUNITY DEVELOPMENT

STRATEGIC PLAN FY 2012-2016	<b>Program</b>	<b>Capital Improvement and Comprehensive Planning Grant</b>
	<b>Description</b>	<p>The Capital Improvement and Comprehensive Planning (CICP) Grant Program makes matching grants of up to \$5,000 to assist cities and counties in our region in developing Capital Improvements Programs (CIPs) and Comprehensive Plans for their communities.</p> <p>Eligible proposals generally must meet established definitions and include minimum content as determined by us.</p> <p>Eligible proposals that incorporate elements of “green” technology and livable community concepts will be given priority for funding.</p>
	<b>Objectives and Measures</b>	<ul style="list-style-type: none"> <li>The CICP Grant Program will begin as a pilot project in its first year. For the first year, the measurable outcome will be that five communities that did not previously have a CIP or Comprehensive Plan have developed one.</li> <li>If the pilot project is successful, the program will be implemented with a measurable outcome of the development of five CIPs or Comprehensive Plans per year for the following four years.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>Cities and Counties <ul style="list-style-type: none"> <li>Elected leaders</li> <li>Planning, engineering, public works and related staff</li> </ul> </li> <li>Planning and Engineering consulting firms</li> <li>Minnesota Chapter of the American Planning Association</li> </ul>
	<b>Links/Attachments/More Information</b>	<ul style="list-style-type: none"> <li>American Planning Association (APA) – <a href="http://www.planning.org/">http://www.planning.org/</a></li> <li>APA Minnesota Chapter – <a href="http://www.mnapa.com/">http://www.mnapa.com/</a></li> <li>Wikipedia article on Comprehensive Planning – <a href="http://en.wikipedia.org/wiki/Comprehensive_planning">http://en.wikipedia.org/wiki/Comprehensive_planning</a></li> <li>Wikipedia article on Capital Improvement Plans – <a href="http://en.wikipedia.org/wiki/Capital_Improvement_Plan">http://en.wikipedia.org/wiki/Capital_Improvement_Plan</a></li> </ul>
CONTEXT	<b>Background</b>	The CICP Grant Program is an outgrowth of our work in Economic Development and Transportation Planning. Through efforts we have undertaken, including programs addressing transportation issues in small cities and extensive work on community infrastructure issues, the issue of CIPs and Comprehensive Plans has emerged as being an important need in the communities of west central Minnesota.
	<b>Lessons Learned</b>	Many communities don’t have a CIP or Comprehensive Plan in place, and as such are unable to plan for immediate and long-range needs in the community.

FOUNDATION	<b>WCI Priority Areas</b>	<ul style="list-style-type: none"> <li>• Positive Net Migration (1)*</li> <li>• Business Development to Create Employment and Wealth (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We address the tough or critical issues facing communities.</li> <li>• We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> </ul> <p>Community:</p> <ul style="list-style-type: none"> <li>• We are measured by our community – based on community results, not on our financial assets or the interests of a chosen few.</li> <li>• We build capacity in the community to do more and do better to control its own future.</li> </ul> <p>Respect:</p> <ul style="list-style-type: none"> <li>• We work to ensure that power and decision-making are in the hands of all those affected by the decision.</li> </ul> <p>Learning:</p> <ul style="list-style-type: none"> <li>• We partner with those willing to work for change.</li> <li>• We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better.</li> </ul>

## COMMUNITY DEVELOPMENT

STRATEGIC PLAN FY 2012-2016	<b>Program</b>	<b>Nonprofit Technical Assistance and Grants</b>
	<b>Description</b>	<p>We provide direct support to nonprofits in three ways. First, individual staff members are invited to meet with nonprofit's representatives to deliver technical support within their area(s) of expertise.</p> <p><b>Requests for technical assistance include:</b></p> <ul style="list-style-type: none"> <li>• Governance training and Board of Directors roles and responsibilities</li> <li>• Fundraising plans</li> <li>• Strategic planning</li> <li>• Grant writing</li> <li>• Community organizing processes</li> <li>• Facilitator and consultant identification</li> <li>• Organizational startup and dissolution procedures</li> </ul> <p>Second, we partner with other groups and organizations to plan, implement and co-sponsor nonprofit training workshops and conferences.</p> <p><b>Some examples of recent workshops include:</b></p> <ul style="list-style-type: none"> <li>• Board Leadership Academy</li> <li>• Nonprofit Funders Forum</li> <li>• Essentials of Nonprofit Management</li> </ul> <p>Third, we occasionally provide grants to nonprofits that are facing a situation that threatens their viability. Emergency assistance grants applications are available by invitation only.</p>
	<b>Objectives and Measures</b>	<p>We will continue to respond to requests for technical assistance to nonprofits in our region. The assistance will be limited to staff expertise and up to 10 percent of our staff's available time.</p> <p>We will seek out collaborative partners to deliver workshops and conferences that address critical organizational issues for nonprofits. The collaborations will form and disband following cycles of need and demand by nonprofits and interest by the partners.</p> <p>Nonprofit emergency assistance grants will be made only as needed and only after we have invited an application.</p>
	<b>Partnerships/Links</b>	<ul style="list-style-type: none"> <li>• Tastefully Simple: <a href="http://www.tastefullysimple.com">www.tastefullysimple.com</a></li> <li>• Otto Bremer Bank: <a href="http://www.bremer.com">www.bremer.com</a></li> <li>• County United Ways: <a href="http://www.unitedway.org">www.unitedway.org</a></li> <li>• Alexandria Technical College: <a href="http://www.alextech.edu">www.alextech.edu</a></li> <li>• Lakes County Service Cooperative: <a href="http://www.lcsc.org">www.lcsc.org</a></li> <li>• Blue Cross Blue Shield Foundation: <a href="http://www.bcbsmnfoundation.org/">www.bcbsmnfoundation.org/</a></li> <li>• Minnesota Nonprofits Assistance Fund: <a href="http://www.nonprofitsassistancefund.org/">http://www.nonprofitsassistancefund.org/</a></li> <li>• Otto Bremer Foundation: <a href="http://www.ottobremer.org/">http://www.ottobremer.org/</a></li> </ul>

<b>CONTEXT</b>	<b>Background</b>	Providing technical assistance to regional nonprofits has always been a service we have provided. The earliest work was responding to requests for help to complete the application for incorporation and IRS determination as a 501 (c) (3). Now a wide variety of requests come from nonprofits for help with some part of their operations, management or governance.
	<b>Lessons Learned</b>	<p>Most nonprofits have few resources to secure outside consulting help. Nonprofit leaders appreciate our staff's assistance and their wide perspective to possible solutions for organizational problems. We are careful not to encourage the nonprofit organization to become dependent on our help. The help provided is often at the introductory level. Names of consultants and facilitators are provided for more in-depth or long-term work.</p> <p>Collaborations that form to bring quality training to the region have been very successful in attracting participants to workshops and conferences. The demand for these trainings ebbs and flows. The cycle of interest in training changes with changes in nonprofit leadership, market saturation and resources available for training. It has also been precipitated by highly publicized problems at a nonprofit organization in the area. Collaboration leadership is also greatly affected by changes in staff at the partner institutions.</p> <p>Requests from nonprofits for funding to address issues of general organizational effectiveness could quickly exceed our grantmaking capacity. We must be very clear that the purpose of the nonprofit emergency grants is for emergencies that may threaten the existence of the organization and the services they deliver.</p>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>• Collaboration Exists Among Empowered Citizens (1)*</li> <li>• Diminishing Need for Social Programs (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Community:</p> <ul style="list-style-type: none"> <li>• We unite the tools of community development, economic development and philanthropy to produce substantial and sustainable results.</li> <li>• We encourage the giving of time, talent, creativity and dollars.</li> </ul> <p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> <li>• We build capacity in the community to do more and do better to control its own future.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>• We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ul> <p>Learning:</p> <ul style="list-style-type: none"> <li>• We partner with those willing to work for change.</li> </ul>

## PHILANTHROPY

STRATEGIC PLAN 2012-2016	<b>Program</b>	<b>WCI Regional Unrestricted Endowment Fund</b>
	<b>Description</b>	<p>The endowment fund provides resources that will permit us to become self-sustaining. We believe this goal will be reached when assets of the endowment fund total \$50 million, which we project to attain by 2025.</p> <p>Earnings equal to five percent of a trailing 12-quarter average of the fund's assets are made available on an annual basis to the organization to support programs and operations. Should the fund earn more than the five percent, the additional funds are reinvested to help the fund grow.</p> <p>Investment strategies are determined by the WCI Board with advice from Slocum and Associates, an investment manager based in Minneapolis, Minn., and the investment committee of the WCI Board.</p> <p>WCI staff members build and maintain relationships with prospective and past donors to support the endowment. Most donors to the endowment say the economic development work accomplished by WCI is the main reason they support us. City and county officials particularly appreciate our role of federal Economic Development District designee.</p>
	<b>Objectives and Measures</b>	<p>Staff will dedicate time cultivating relationships with individuals who may consider making gifts to the endowment. Studies show that nearly 90 percent of the charitable gifts made in America are made by individuals and families and we see this area as one of significant potential. The goal is to double the giving from this group in the next five years.</p> <p>Due to the concerns for government entities cited in the "Lessons Learned" section, the five-year goal for this group will be to retain 90 percent of their current giving levels.</p> <p>Corporate donors will also be an important group in the next five years. Financial institutions have been very satisfied with the work WCI staff have done with local entrepreneurs and are good prospects for support. Businesses that have worked with us during expansion projects, start-up projects and training grants will be evaluated and contacted for appropriate levels of support.</p> <p>Following this strategy will provide for continued growth, even through the challenging economic environment that many businesses have experienced during the past several years. With diligence and hard work, the goal for the Endowment Fund for the next five years will be to raise \$1,000,000 from July 1, 2011 to June 30, 2016.</p>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Current endowment donors – individuals and corporate</li> <li>• Current and former WCI Board members – referrals and recommendations</li> <li>• Outside WCI partners</li> </ul>

	<b>Background</b>	<p>The Endowment Fund was first discussed in our annual report in fiscal year 1989. The total that year was \$550,000. The value of that fund 21 years later is nearly \$24 million.</p> <p>The endowment fund's goals provide funding for all aspects of our programming and operations, with a long-range goal of become financially self-sustaining.</p> <p>Historically, the majority of the funds raised for the Endowment Fund have come from cities and counties in the region. Over the past four years, 60 percent of the gifts made to the endowment came from those governmental entities.</p> <p>WCI staff members attend county commission and city council meetings on a regular basis to give those boards an update on WCI activity in their area and make requests for support. Businesses, utilities, financial institutions and individuals are the other types of donors that support the endowment.</p>
	<b>Lessons Learned</b>	<p>It is clear from comments made by council and commission members during the WCI staff updates that these boards strongly support our efforts in their areas. Even with severe cuts in Local Government Aid (LGA) payments from the State of Minnesota, these entities have honored the pledges made earlier, or, in most instances, remained at a consistent level on year-to-year commitments.</p> <p>The concern with relying on cities and counties for 60 percent of the funds raised for the endowment is that there may be further cuts in the LGA payments in future years. Some officials have voiced concern that those payments may disappear completely. If either of those occurs, there will be more pressure on local governments to make cuts, and discretionary funding, such as gifts to WCI, would certainly come under review.</p> <p>While we will continue to build on our relationships with the cities and counties and attend their meetings for updates and to make requests, we anticipate that some will hesitate to make the multi-year commitments and opt for year-to-year commitments, which may decrease as budgets are further reduced.</p> <p>We will continue to work with current donors from financial institutions, other businesses and individuals. We believe that building on existing relationships and identifying new donors will allow continued growth for the fund and create a more diverse and consistent donor base.</p> <p>It should be noted that, as staff contact prospective corporate and individual donors, the interests of the component funds will also be respected.</p>
<b>FOUNDATION</b>	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>Promoting Philanthropy</li> </ul>
	<b>WCI Values</b>	<p>Responsiveness:</p> <ul style="list-style-type: none"> <li>We address the tough or critical issues facing communities.</li> </ul> <p>Community:</p> <ul style="list-style-type: none"> <li>We are measured by our community – based on community results, not on our financial assets or the interests of a chosen few.</li> </ul> <p>Learning:</p> <ul style="list-style-type: none"> <li>We partner with those willing to work for change.</li> </ul> <p>Stability:</p> <ul style="list-style-type: none"> <li>We are persistent and patient – working over years if that's what it takes.</li> </ul>

## PHILANTHROPY

STRATEGIC PLAN 2012-2016	<b>Program</b>	<b>Component Funds</b>
	<b>Description</b>	<p>We meet with interested parties and identify the interests, needs and functions for a fund, and discuss how we will manage and operate the fund. Working with those establishing a fund, we will:</p> <ul style="list-style-type: none"> <li>• Establish the mission, purpose and name of the fund.</li> <li>• Develop a donor or advisory committee, or establish a steering committee to develop an advisory committee.</li> <li>• Draft and approve a Component Fund Agreement and Operational Guidelines for the fund.</li> <li>• Recommend an investment strategy for the fund from choices we offer.</li> <li>• For community and agency-based funds, develop a plan for ongoing or additional fundraising programs.</li> <li>• Work with the component fund advisors to establish program guidelines for grants and/or economic development loans.</li> </ul> <p>We provide direct technical assistance to component fund advisory committees, helping them craft and implement a plan to raise, manage and distribute community assets. The resulting plan builds long-term donor relationships through goal-oriented fundraising while it strengthens networks in the community.</p>
	<b>Objectives and Measures</b>	<ul style="list-style-type: none"> <li>• Stimulate the interest in giving back to local communities among a broad group of interested donors. We will focus on donor advised component funds as the leading edge of growth for new funds.</li> <li>• Grow the number of component funds from 62 to 75 funds, each with active advisory committees that meet at least once a year and make at least one grant per year. Grow the combined asset balance for all funds from the current \$12 million to \$20 million by June 30, 2016.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Local nonprofits that make a difference in the community.</li> <li>• Economic development organizations in local communities.</li> <li>• Professional advisors that help their clients to establish donor advised funds.</li> </ul>
	<b>Attachments</b>	See Fundraising plan, pages 75-79

CONTEXT	<b>Background</b>	<ul style="list-style-type: none"> <li>• 1988: We started our first component fund in response to a request from the city of Miltna to build a local fund supporting a new charter school in their community.</li> <li>• 1990-2002: Several early requests for help building local funds convinced us that most of our communities were too small to start their own community foundation. Creating permanent funds for specific needs is an integral role of a community foundation. We decided to add the community foundation role to the economic development role it was already playing in the region. Some component funds are started to provide gap lending programs designed to help specific communities.</li> <li>• 2001-2002: WCI staff participated in Aspen Institute Rural Development Philanthropy Learning Network. Discussions encouraged us to strengthen relationships with component fund advisors and donors.</li> <li>• 2002: We add a second full-time development staff position to increase fundraising capacity and provide more technical assistance to component funds.</li> <li>• 2003: Donor data and experience reveal that individual donors and civic groups prefer local projects to building regional (multi-county) endowments.</li> <li>• 2006: Completed county-by-county generational transfer of wealth study for the region. Study results provided motivation for component fund advisors to promote estate gifts to individual donors that will benefit their community.</li> </ul>
	<b>Lessons Learned</b>	<p>Even though the volatility of the stock market from 2008-2010 made donors across the nation worried about the negative earnings on their investments, donors to component funds continued to support large local fundraising campaigns. As a result, we experienced combined component fund asset growth from \$8.5 million in 2006 to \$12.4 million in 2010.</p> <p>Tax revenue support for schools and city recreation projects is declining. Community leaders have responded to the challenge of reduced tax revenue by seeking broad community philanthropic support to enhance schools, parks, the environment and recreational facilities.</p> <ul style="list-style-type: none"> <li>• Eighteen new component funds have been established since 2006. Seven of these funds are school related, one supports environmental health, six are donor advised funds and the rest are a combination of community and designated funds.</li> </ul> <p>Sustaining active leaders in the advisory committees is a constant problem even among active funds.</p> <ul style="list-style-type: none"> <li>• Six inactive component funds closed and assets were disbursed or transferred to other nonprofit organizations, 17 funds meet only once a year or not at all.</li> </ul> <p>New funds and larger fundraising campaigns have dramatically increased the philanthropic resources in the region.</p>



		<ul style="list-style-type: none"> <li>\$1.4 million in grants from component funds were distributed in fiscal year 2009. This was a significant increase from the \$574,274 granted in fiscal year 2006.</li> </ul> <p>There was an increase from 55 funds in 2006 to 73 component funds in 2009, with a total of 159 sub-accounts designated to address local needs for community development, economic development loans or support of nonprofit organizations.</p> <p>The West Central Minnesota Transfer of Wealth (TOW) study completed in 2005 has now expanded to all but 20 counties in Minn. A task force of 10 community foundation leaders, using the TOW study, is organizing a campaign to create legislation for a Minnesota tax credit for permanent gifts to qualified endowments. The TOW study will continue to stimulate interest in estate and planned gifts.</p> <p>A new group of philanthropists are capturing national media attention by combining philanthropy with their entrepreneurial talent to improve social justice. This philanthropic action, called social entrepreneurship, combined with new online donation sites like GiveMN.org and Kiva.org, are encouraging more people to become philanthropists. We offer donor advised funds and a variety of online donation options to capture this renewed interest in philanthropy, and provide more online information and resources to advisors.</p> <p><b>Bonus:</b></p> <ul style="list-style-type: none"> <li>Component fund advisors and fundraising volunteers' attitudes changed from "We can't do it here because there aren't enough resources," to "We can do anything."</li> </ul>
FOUNDATION	<b>WCI Priority Area</b>	<ul style="list-style-type: none"> <li>Promoting Philanthropy (1)*</li> <li>Collaboration exists among empowered citizens (2)*</li> </ul> <p>* Indicates primary and secondary areas of impact.</p>
	<b>WCI Values</b>	<p>Community</p> <ul style="list-style-type: none"> <li>We unite the tools of community development, economic development and philanthropy to produce deeper impact and sustainable outcomes.</li> </ul> <p>Responsiveness</p> <ul style="list-style-type: none"> <li>We partner with those willing to work for change.</li> <li>We build capacity in the community to do more and do better over time.</li> <li>We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better.</li> <li>We encourage the giving of time, talent, creativity and dollars.</li> <li>We build locally controlled unrestricted and permanent financial assets that provide flexibility to meet changing needs and opportunities.</li> <li>We strengthen capabilities and develop assets that "stick to" the community and provide long-term value and resilience.</li> </ul>

# Budget/Financial and Fundraising Information

We were formed and continue to operate to address the needs of the region it serves. The WCI Board recognizes that the residents of west central Minnesota appreciate fiscal responsibility and efficiency and, reflecting that culture, we continue to manage our financial and human resources in a careful manner.

The proposed sources and uses of income include work planned for the next five years. The programs listed in the proposed budget are defined in the individual program descriptions in the strategic planning section (see pages 39-72).

A five-year plan must be a flexible document that can be modified as circumstances change and that holds true for financial projections and budgets. We have developed a set of criteria (see pages 81-82 in Appendix) to help us determine if there is an appropriate role we can play as various opportunities arise. Once identified, we will examine available resources that can be applied to those opportunities. Any new projects must be consistent with our mission, vision and values and fit into the three primary program areas of Economic Development, Community Development and Philanthropy. They will very likely have specific goals and defined starting and ending dates. We will allocate staff resources and financial resources to obtain the best leverage and get the most for our investment.

In 2002, we moved to our current location at 1000 Western Avenue in Fergus Falls. The building has ample employee office and work space, plus several rooms for WCI-sponsored meetings and for use by our partners and other nonprofits free of charge as a service to the region. The building has been a positive move for us – both in terms of visibility and in accommodating the needs of the region. We do not anticipate any changes in the office structure or staffing during the next five years.

Since 2000, we have utilized a payout policy on the WCI Endowment to support general operations. The WCI Board approved a payout of up to five percent per year to be used for operating costs. The five-percent payout is based on a rolling three-year market average of WCI's endowment assets at the end of each quarter, or over a total of 12 quarters. Since 2000, we have drawn from the endowment earnings to support operations, but less than the five percent limit. We have been able to do this by seeking and receiving other sources of funding and program support and continuing to conservatively manage our finances.

The following sources and uses of funds are projected for the next five years and include the current funding request to The McKnight Foundation in the amount of \$6,000,000. The proposed breakdown of the request to The McKnight Foundation is as follows:

Operations	\$1,000,000
Programs	\$4,000,000
Endowment	\$1,000,000

**TABLE 6: PROJECTED SOURCES & USES OF FUNDS**

<b>SOURCES OF INCOME</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>TOTALS</b>
The McKnight Foundation	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,000,000
Fees/Other Income	25,000	25,000	25,000	25,000	25,000	\$125,000
Loan Closing Costs	10,000	10,000	10,000	10,000	10,000	\$50,000
Component Fund Fees	75,000	75,000	75,000	75,000	75,000	\$375,000
Interest Earnings (float)	50,000	50,000	50,000	50,000	50,000	\$250,000
Endowment Payout	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$5,500,000
Loan Repayments	\$750,000	\$800,000	\$900,000	\$1,000,000	\$1,100,000	\$4,550,000
SBA Loan Program	\$270,000	\$25,000	\$40,000	\$290,000	\$50,000	\$675,000
State of MN Grant Award (Mn/DOT)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Federal Grant Award (EDA)	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$275,000
Local Support (gifts)	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Component Funds	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$14,000,000
Other	\$110,400	\$110,400	\$110,400	\$110,400	\$110,400	\$552,000
<b>TOTAL SOURCES OF INCOME</b>	<b>\$6,695,400</b>	<b>\$6,500,400</b>	<b>\$6,615,400</b>	<b>\$6,965,400</b>	<b>\$6,825,400</b>	<b>\$33,602,000</b>
<b>USES OF INCOME</b>						
Operations	\$1,565,000	\$1,565,000	\$1,565,000	\$1,565,000	\$1,565,000	\$7,825,000
Grant Programs	\$910,400	\$910,400	\$910,400	\$910,400	\$910,400	\$910,400
Loan Programs	\$1,020,000	\$825,000	\$940,000	\$1,290,000	\$1,150,000	\$5,225,000
Gifts to WCI General Endowment	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
Component Funds	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$14,000,000
<b>TOTAL USES OF INCOME</b>	<b>\$6,695,400</b>	<b>\$6,500,400</b>	<b>\$6,615,400</b>	<b>\$6,695,400</b>	<b>\$6,825,400</b>	<b>\$33,602,000</b>

In addition to The McKnight Foundation, WCI anticipates other sources of program support from past and potential partners (see table 7).

**TABLE 7: Past and Projected Funding Partners**

Blandin Foundation	Robert Wood Johnson Foundation
Otto Bremer Foundation	Minnesota Department of Transportation
Bush Foundation	PrimeWest Health
Dakota Medical Foundation	The McKnight Foundation
Delta Dental Foundation	Frank W Veden Charitable Trust
Economic Development Administration	

## FUNDRAISING PLAN

As described on pages 37-38 of this plan, one of our high-priority goals is increasing our endowment to a level that will facilitate self-sufficiency. We have been working very aggressively to attain this goal. During the upcoming five years, we will build on the successes and lessons learned over previous years of fundraising efforts.

### Endowment

Our overall endowment objective for the next five years is to increase assets from \$24 million to \$34 million. This goal is a challenging one and will require us to reshape the mix of donors providing endowment gifts.

We have been building relationships with new donors that will help us change the profile of our donor support for the future. Since 1988, our primary donors have been cities, counties, utility companies and banks. Up to 83 percent of our donations have come from units of government and businesses. We are now asking more individuals to consider supporting our unrestricted endowment from their personal wealth.

Support from cities and counties will almost certainly decline over the next five years due to reductions in Local Governmental Aid (LGA) from the state, restrictions on local taxation and the shifting of costs from the state to local units of government. While most units of government have been honoring their existing pledges to WCI despite these changes, we have seen some erosion in pledge collections and has been informed by a number of units of government that future contributions will not match current giving levels. This in no way indicates a lack of support for our programs or services, instead, it is simply a necessity driven by economics. Please see Table 8 for a comparison of projected and actual giving levels by type of donor.

Business donors have been willing to step up to new levels of donations to our endowment because they see the benefit of the support for workforce training and business financing programs. If successful businesses remain locally owned and continue to grow, they will continue their level of support to our endowment. If the economy declines or becomes unreliable, the support will quickly erode.

We have completed a transfer of wealth study that measures the value of the estates that will transfer from the last surviving spouse of one generation to the members of the next generation. The study covers the time frame of 2005 to 2030 for all nine counties in the region. It will be used to encourage long-term community residents to consider leaving up to five percent of their estate to our endowment and our component funds.

**TABLE 8: SOURCES OF ENDOWMENT CONTRIBUTIONS**

	Projected 7/1/2006 thru 6/30/2011	2012-2016 Goals
Government	\$554,849	\$500,000
Finance	\$69,000	\$100,000
Utilities	\$49,725	\$100,000
Business	\$203,225	\$200,000
Individual	\$36,469	\$100,000
Other (clubs foundations)	\$327	
Misc. fund raising	\$720	
<b>Total</b>	<b>\$914,315</b>	<b>\$1,000,000</b>

Table 9 reflects endowment objectives by year. The bottom line of the table indicates the endowment balance that will be achieved at the end of each fiscal year upon attaining these objectives.

**TABLE 9: ENDOWMENT GOALS BY YEAR AND SOURCE**

	FY12	FY13	FY14	FY15	FY16
Beginning Balance	\$26,441,731	\$27,329,827	\$28,247,835	\$29,194,631	\$30,159,779
Local Support	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Reinvested Earnings	\$488,096	\$518,007	\$546,796	\$565,149	\$584,015
McKnight Match	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Planned Gifts					\$2,000,000
<b>Ending Balance</b>	<b>\$27,329,827</b>	<b>\$28,247,835</b>	<b>\$29,194,631</b>	<b>\$30,159,779</b>	<b>\$33,143,794</b>

## Total Development Plan

In the past, we have concentrated on a small group of high-end institutional donors for support of the endowment. We have begun focusing on individual giving by expanding our donor base through a “Total Development Plan.” During the next five years, this concept will become the primary focus for expanding WCI’s endowment giving among individuals.

The Total Development Plan is taken from the book *Hank Rosso’s Achieving Excellence in Fund Raising*. The plan recognizes the giving patterns of the majority of donors, and relies on constantly improving the relationship with donors and their charitable interest instead of artificial deadlines for campaigns. The focus will be on donor services and on meeting dollar goals.

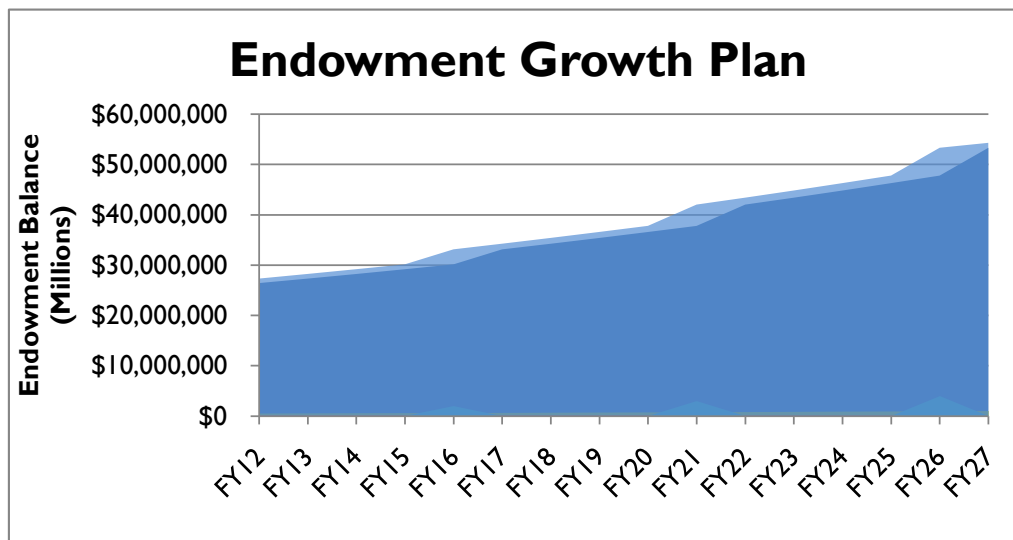
We will use personal visits to build relationships with potential donors and discover their philanthropic interests in our region. During the next five years, through June of 2016, we will communicate the advantages of Donor Advised Funds (DAF) and improve our donor relationship management systems. DAFs have proven to be an effective way for donors to simplify their charitable giving and avoid or eliminate the cost of establishing and operating a private foundation.

The Total Development Plan will focus on steadily increasing levels of contact with donors as our relationship matures, coupled with systems that match donors' interests with our objectives. By creating a variety of opportunities for donors to support projects in west central Minnesota, we will be able to increase our donor base and meet endowment goals.

## Long-Range Plan to Attain Independence

Our endowment objectives for the next five years represent only one part of a long-range plan to attain self-sufficiency. The long-range plan calls for us to increase our endowment to \$50 million. We anticipate reaching \$50 million by June 30, 2025, assuming average historical investment returns for a portfolio with our investment style. Figure 5 graphically portrays this plan.

**FIGURE 5**



McKnight support for our endowment campaigns is a critical element in the feasibility of our long-range plan to achieve financial self-sufficiency. The plan assumes continued support for the endowment from The McKnight Foundation in the form of matching grants similar in scale and structure to this strategic plan. During the same period, our endowment fundraising performance would improve, with realization of planned giving expectancies making a major contribution to the overall growth. Endowment earnings exceeding a five-percent annual payout will continue to be reinvested for growth.

The increased emphasis on planned and estate gifts coupled with the strategies tied to the transfer of wealth study will start to produce results within the next five years and continue into the future. The transfer of wealth study estimates that between 2005 and 2030, more than \$2.4 billion will be transferred through estates within our region. Our goal is to receive one quarter of one percent of the wealth transfer into our unrestricted endowments and one half of one percent of it into our component funds.

## Component Funds

Five years ago, our work with the component funds was concentrated in the following areas:

- Giving guidance and support to local fundraising efforts,
- Revitalizing inactive component funds, and
- Improving and enhancing communications between WCI and our component funds.

The component funds have a profound impact on the communities they serve. Every five years we measure the activity in all component funds to evaluate trends in local community impact. Component funds are measured by their total asset growth and grantmaking ability. Since July of 2006 the total asset growth of all component funds has been \$2 million. Their annual grantmaking ability has almost tripled over the last nine years from \$380,000 to \$1,300,000 (Figure 6).

More community leaders are contacting us because they see the value of building local resources for local projects. Since July 2006, 18 new component funds have been created and five more are in the planning stages as of July 2010, bringing the total to 74 component funds. Each fund has between two and five sub-accounts dedicated to a specific field of interest or project.

Numbers don't tell the whole story. Attitudes about rural communities improve when community members learn to organize around a critical project. We provide the technical assistance to help communities raise, manage and make grants with those funds. Groups of volunteers that have struggled with too few resources to support local projects are relieved to have a partner that helps them create a plan for success.

In addition to expanded fundraising partnerships with community-based component funds, we anticipate continued component fund growth, particularly in the following two areas:

- Individual and family donor-advised funds
- Endowed funds for public schools, libraries and nonprofit agencies

The growth and enhancement of the component funds and the expansion of our unrestricted endowment fund provide new opportunities to expand the region's philanthropic base to help address local and regional issues, now and for the future. Further, efforts to grow our component funds serve to enlarge the donor base available to support both our endowment and the philanthropic goals of our component funds. An important side benefit of these efforts is the identification of new leadership talent for WCI and the communities we serve.

## Planned and Estate Gifts

Over the last 17 years, we have established the organizational groundwork and begun solicitations to build a planned and estate giving program. Planned giving is an extremely important component of our long-term plan to attain self-sufficiency. Almost all day-to-day contacts with existing and prospective donors are consciously handled in a fashion designed to develop the type of long-term relationships that may ultimately lead to planned gifts.

We have also been working diligently to improve the infrastructure necessary to support planned giving. These improvements include:

- An updated management information system to make it easier to track the types of relationships we have with current and prospective donors.
- Expanded relationships with professionals working on estate and financial planning.
- The addition of a planned gift section to WCI's website, including a planned gift calculator to help individuals and professional advisors create realistic gift scenarios.

Our goal for this strategic plan is to receive planned gift disbursements and document irrevocable commitments totaling at least \$2 million for the benefit of our endowment. Because planned gifts take time to develop and donors do not always notify us when they include a gift in their estate plans, the specific timing of revenues from these gifts cannot be predicted, and are not built into the projections for the next five years. Solicitation of planned and estate gifts must be an ongoing, long-term activity and will remain among the highest priorities for our development program.



# Appendix

## West Central Initiative Checklist for New Projects

Project/Work being considered: \_\_\_\_\_

Date form completed: \_\_\_\_\_

	Yes	No	Neutral	Comments
<b>Does it fit with WCI's:</b>				
Vision: Uniting ideas and resources to help people and communities create a better tomorrow. *				
Mission: Serving to improve west central Minnesota through funding, programs and technical assistance.*				
Values of: Building <b>Community</b>				
Treating all with <b>Respect</b>				
<b>Responding</b> in a timely manner				
Will it contribute to <b>Learning</b> for us or others?				
Is the <b>Stability</b> of our assets enhanced?				
Current priority areas?				
Current program areas?				
<b>Potential Impact:</b>				
Does it address the underlying cause(s) of a challenge or problem?				
Does it address emerging and/or changing community needs?				
Is there a documented need for this work?				
Does it increase or create connections that contribute to social capital?				
Will it produce significant measurable results?				
Will it serve as a catalyst for philanthropy?				
Will it attract individual, corporate or other donors?				
Does it help WCI build relationships?				
Will the effort move the region forward?				
Is there an opportunity for local, regional or statewide impact for this work?				
Could this work lead to or influence systems change(s)?				
Could this set a precedent for WCI that would be beneficial?				
Is this work bipartisan or nonpartisan?				
<b>Capacity:</b>				
Does WCI's Board of Directors support this work?				
Does WCI have the financial resources to take on this work?				
Can WCI find the funding elsewhere to take on this work?				
Does WCI have the skills and knowledge needed to undertake this work?				
Does WCI have the staff capacity to take on this work?				
Is there a willingness by WCI staff to take on this work?				
Will WCI commit discretionary funds to support this work?				

<b>Leverage:</b>				
Are there positive public relations implications for this work?				
Would this work build capacity in other organizations?				
Would this work inform other work done by WCI?				
Could this work benefit or complement other work by WCI?				
<b>Partners:</b>				
Is WCI the right organization to bring this work together?				
Is it a collaborative effort?				
Are there potential partners/collaborators in place?				
Are the partners/collaborators credible?				
Would it attract partners and/or collaborators?				
Do the potential partners/collaborators have capacity to join in the work?				
<b>Credibility:</b>				
Would WCI add value to this work?				
Has WCI had previous experience in this area?				
Has WCI made grants in a closely related area in the past, setting a precedent?				
Are the consequences or results of this work only positive?				
Will WCI enter into this work without opposition from others?				
Is this a good use of WCI's credibility and social capital?				
<b>TOTALS</b>				
<b>Potential Roles for WCI - (can be more than one):</b>				
Participant: WCI staff commit to participate in work led by another organization				
Convener: WCI convenes interested parties around an issue				
Knowledge Manager: WCI shares the results of our own work and/or research				
Funder: WCI provides grant resources to this work				
Catalyst: WCI initiates the work around an issue or challenge				

## LINKS TO MORE INFORMATION

### DATA SOURCES

- Employment, Unemployment, and Wage Data: Labor Market Information, MN Dept. of Employment and Economic Development.
- Population Estimates and Projections: Minnesota State Demographer and U. S. Census.
- Public Support Program Statistics (MFIP, SSI, Food Stamps, etc.): MN Dept. of Human Services, Statistics Division.
- Vital Statistics: MN Dept. of Health, Vital Statistics Division.
- All Other Unattributed Data: U.S. Census.
- Central Minnesota Area Health Education Center; [http://www.mnahec.umn.edu/Central\\_AHEC/](http://www.mnahec.umn.edu/Central_AHEC/)
- Lakes Country Service Cooperative: <http://www.lcsc.org>

### ECONOMIC DEVELOPMENT

#### Loan Programs

- USDA Rural Development: [www.rurdev.usda.gov](http://www.rurdev.usda.gov)
- U.S. Small Business Administration [www.sba.gov](http://www.sba.gov)
- Minnesota Business Finance Corporation: [www.mbfc.org](http://www.mbfc.org)
- Minnesota Department of Employment and Economic Development (DEED): [www.positivelyminnesota.com](http://www.positivelyminnesota.com)

#### Business Assistance

- Minnesota Small Business Development Center: [www.mnsbdc.com](http://www.mnsbdc.com)
- Alexandria Technical College: [www.alextech.org](http://www.alextech.org)
- Minnesota State Community and Technical College—Business Entrepreneurial Center: [www.minnesota.edu/bes](http://www.minnesota.edu/bes)
- Enterprise Minnesota: [www.enterpriseminnesota.org](http://www.enterpriseminnesota.org)

#### Equity Investments

- Granite Equity: [www.graniteequity.com](http://www.graniteequity.com)
- RAIN Source Capital <http://www.rainsourcecapital.com/>

## Workforce Development

- Enterprise Minnesota: <http://www.enterpriseminnesota.org/>
- Manufacturing Extension Partnership: <http://www.nist.gov/mep/>
- “Grow Your Own: How economic gardening nurtures local businesses”  
[http://www.ssireview.org/images/articles/2010WI\\_WhatWorks\\_GrowYourOwn.pdf](http://www.ssireview.org/images/articles/2010WI_WhatWorks_GrowYourOwn.pdf)
- INSIGHT: Center for Community Economic Development  
[www.insightccd.org/programs/workforce.html](http://www.insightccd.org/programs/workforce.html)

## Economic Development

- Comprehensive Economic Development Strategy: [www.wcif.org/?CEDS](http://www.wcif.org/?CEDS)
- Infrastructure Studies: [http://www.wcif.org/?page=Infrastructure\\_Study](http://www.wcif.org/?page=Infrastructure_Study)
- Minnesota Beautiful Grant: [http://www.wcif.org/?Minnesota\\_Beautiful](http://www.wcif.org/?Minnesota_Beautiful)
- JOBZ: [http://www.positivelyminnesota.com/Business/Financing\\_a\\_Business/Tax-Free\\_Development\\_\(JOBZ\)/JOBZ\\_Overview.aspx](http://www.positivelyminnesota.com/Business/Financing_a_Business/Tax-Free_Development_(JOBZ)/JOBZ_Overview.aspx)
- County Renewable Energy Project: <http://www.wcif.org/?countyenergy>

## Family Economic Success

- Annie E. Casey Foundation Family Economic Success webpage:  
<http://www.aecf.org/Home/MajorInitiatives/FamilyEconomicSuccess.aspx>
- “F-E-S Spells Success for Local Families” article in WCI Focus on the Region newsletter:  
<http://bit.ly/aF93nl>

## Child Care Assistance

- Child Care Resource and Referral Network: <http://mnchildcare.org>
- Minnesota Quality Rating System: An Initiative to Empower Parents and Improve Program Quality  
[http://www.dhs.state.mn.us/main/groups/children/documents/pub/dhs16\\_142067.pdf](http://www.dhs.state.mn.us/main/groups/children/documents/pub/dhs16_142067.pdf)
- Child Care, Female Employment, and Economic Growth *This paper describes the linkage between child care, female employment, and regional economic growth.*  
[http://economicdevelopmentandchildcare.org/documents/special\\_journal\\_issues/jcde/kimmel.pdf](http://economicdevelopmentandchildcare.org/documents/special_journal_issues/jcde/kimmel.pdf)

## COMMUNITY DEVELOPMENT

### Transportation Planning

- WCI Transportation Planning webpage: [http://www.wcif.org/?page=Transportation\\_Plan](http://www.wcif.org/?page=Transportation_Plan)
- WCI Trails Planning webpage: [http://www.wcif.org/?page=Trails\\_Plan](http://www.wcif.org/?page=Trails_Plan)
- WCI Transit Study: [http://www.wcif.org/?Transit\\_Study](http://www.wcif.org/?Transit_Study)
- WCI GIS webpage: <http://www.wcif.org/?page=GIS>
- Minnesota Department of Transportation: <http://www.dot.state.mn.us/d4.html>

- Minnesota Regional Development Organizations: <http://www.mrdo.org/>

#### Early Childhood Initiative

- The Early Childhood Initiative by WCI: <http://eci.wcif.org>
- Early childhood reports: <http://bit.ly/eci-resources>
- MN Early Childhood Initiative Report by Wilder Research:
  - Supporting MN's Youngest Citizens lessons learned 2003-2006: [http://wcif.site-ym.com/resource/resmgr/docs/mn\\_early\\_childhood\\_initiativ.pdf](http://wcif.site-ym.com/resource/resmgr/docs/mn_early_childhood_initiativ.pdf)
  - Painting a Brighter Picture of Infant and Early Childhood Mental Health in Greater Minnesota: <http://bit.ly/Thrive-lessons-learned>

#### Community Leadership Development

- Building Leadership Programs Management Guide: <https://shop-secure.extension.umn.edu/PublicationDetail.aspx?ID=2025>

#### Community Mobilization

- Definition of community mobilization: [http://en.wikipedia.org/wiki/Community\\_Mobilization](http://en.wikipedia.org/wiki/Community_Mobilization)
- University of Minnesota Extension Business Retention and Expansion Program <http://www.extension.umn.edu/businessretention/>
- University of Minnesota Extension Local Food System Planning: <http://www.regionalpartnerships.umn.edu/index.pl?id=2298>
- Center for Community Stewardship <http://www.stewardacademy.com/>
- Minnesota Design Team <http://www.minnesotadesignteam.org/>
- Minnesota Main Street Program <http://www.mnpreservation.org/programs/main-street/>

#### Capital Improvement and Comprehensive Planning

- American Planning Association (APA) – <http://www.planning.org/>
- APA Minnesota Chapter – <http://www.mnapa.com/>
- Wikipedia article on Comprehensive Planning – [http://en.wikipedia.org/wiki/Comprehensive\\_planning](http://en.wikipedia.org/wiki/Comprehensive_planning)
- Wikipedia article on Capital Improvement Plans – [http://en.wikipedia.org/wiki/Capital\\_Improvement\\_Plan](http://en.wikipedia.org/wiki/Capital_Improvement_Plan)

## The Rural Development Philanthropy Collaborative

The United States and the globe face increasingly challenging questions about how to feed, fuel and nurture the world's population sustainably and justly. The **Rural Development Philanthropy Collaborative** believes that rural communities have a critical role to play in meeting these challenges.

### What is Rural Development Philanthropy?

Rural people have a long tradition of generosity and charitable *giving to* and *giving through* churches, civic associations, schools or other social structures. Rural development philanthropy taps these traditions in new ways and combines the tools of *asset-based community development* and *philanthropy* to support communities in defining their own development agendas. Rural development philanthropy builds community ownership through specific practices and strategies, while motivating people and institutions to invest in local efforts toward development.

**Rural Development Philanthropy is a community-led approach that creates locally controlled assets and invests them to strengthen rural places. It builds a community's ability to shape a better future and promote the well-being of all community members. It unites the tools of community, economic and resource development, engaging all people to come together with their ideas, strategies, talents, and giving.**

### What is the Collaborative?

In January 2008, a group of foundations and organizations came together in Trinidad, California, to form a coalition to advance Rural Development Philanthropy (RDP).

They were anchored by this question: *How can we create a true practice of Rural Development Philanthropy and a growing network of competent and effective RDP practitioners who help rural communities achieve and sustain significantly more positive and equitable change?* The coalition considered how best to serve the field and build a network of people and institutions committed to transforming rural communities. Those present at this meeting had a long history of work in the fields of community development and philanthropy and were eager to define a practice that could support the changes needed to build healthy rural communities.

In 2009, the Collaborative convened an expanded group in Pocantico, New York, to further test RDP concepts and ideas, and to identify RDP competencies and practices. Since then, the Collaborative has worked to further define and articulate the rationale, competencies and characteristics that are the key ingredients of successful rural development philanthropy organizations that help achieve the goal of rural community transformation. These efforts are captured in the materials produced by the Collaborative and in the development of the network of organizations interested in advancing the field. The Collaborative seeks to capture the momentum and interest of the growing field of community foundations, rural affiliates of community foundations and other organizations interested in sharing good practice and emerging knowledge.

### What next for the Collaborative?

In the coming years, the Rural Development Philanthropy Collaborative plans to increase understanding and practice in the rural development and rural philanthropy fields and to build a diverse, international network of rural development philanthropy practitioners.

Specifically, the Collaborative will work together to:

1. Improve rural development philanthropy practices, values, and competencies
2. Produce additional materials designed to illuminate good practice and create an interactive platform for sharing this knowledge
3. Expand the knowledge and understanding of the role and practice of rural development philanthropy to more people, places, and organizations
4. Attract support for rural development philanthropy in the United States and around the world

In the coming months, the Collaborative will commit to broadening its membership, inviting organizations who are already engaged in rural community development to add their experiences to the expression of rural development philanthropy.

### Who Is the Collaborative?

The strength of the Rural Development Philanthropy Collaborative resides in the integrity and collective experience of its organization members. Currently, the core of the Collaborative is the Steering Committee, which is governed by a memorandum of understanding among eight U.S. organization members. Colleagues from Bolivia and Kenya have been involved from the beginning, and many others have joined the conversation in the last two years in meetings at the Wye (MD) and Pocantico (NY) Conference Centers and in Trinidad, California.

Initial work and planning of the Collaborative to date have been primarily advanced through the volunteer time and work of the Steering Committee members. Grant support from the Ford Foundation, California Endowment, Rockefeller Brothers Fund and the community foundations on the Steering Committee has helped underwrite the cost of meetings and materials to date.

It is the hope of all who have engaged with the Collaborative that a movement for rural community transformation can be built upon the cornerstones of philanthropy and community development.

### Join the Movement

If you would like to learn more about rural development philanthropy and join those who work and advocate to improve its practice, contact any member of the Collaborative Steering Committee:

▪ <b>Aspen Institute Community Strategies Group</b>	Washington, D.C.	<a href="http://www.aspencsg.org">www.aspencsg.org</a>
▪ <b>Black Belt Community Foundation</b>	Selma, Alabama	<a href="http://www.blackbeltfound.org">www.blackbeltfound.org</a>
▪ <b>Center for Rural Strategies</b>	Whitesburg, Kentucky	<a href="http://www.ruralstrategies.org">www.ruralstrategies.org</a>
▪ <b>East Tennessee Foundation</b>	Knoxville, Tennessee	<a href="http://www.etf.org">www.etf.org</a>
▪ <b>Humboldt Area Foundation</b>	Bayside, California	<a href="http://www.hafoundation.org">www.hafoundation.org</a>
▪ <b>Nebraska Community Foundation</b>	Lincoln, Nebraska	<a href="http://www.nebcommfound.org">www.nebcommfound.org</a>
▪ <b>North Carolina Rural Economic Development Center</b>	Raleigh, North Carolina	<a href="http://www.ncruralcenter.org">www.ncruralcenter.org</a>
▪ <b>West Central Initiative</b>	Fergus Falls, Minnesota	<a href="http://www.wcif.org">www.wcif.org</a>

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### Related Rural Development Philanthropy Materials

- |  |   |
|--|---|
| ▪ Rural Development Philanthropy Framework     | ▪ Rural Development Philanthropy Critical Practice Profiles |
| ▪ Rural Development Philanthropy Competencies  |   |
| ▪ Rural Development Philanthropy Case Parables | ▪ Rural Development Philanthropy Bibliography               |
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## RDP Definition

Rural Development Philanthropy (RDP) is a community-led approach that creates locally controlled assets and invests them to strengthen rural places. It builds a community's ability to shape a better future and promote the well-being of all community members. It unites the tools of community, economic and resource development, engaging all people to come together with their voices, ideas, strategies, talents and giving.

## RDP Outcome/Vision

Rural Development Philanthropy seeks rural community transformation. It delivers on four fronts in a rural community.

- **People.** It improves the skills, confidence and economic success of people who live there, especially marginalized and low-income people.
- **Culture.** It advances a culture where everyone belongs and everyone's participation is eagerly sought and valued.
- **Place.** It maintains and strengthens the value of natural and built resources that are critical to a place's present and future health.
- **Economy.** It increases ownership and prosperity in the local economy.

Overall, RDP communities build *wealth* at home and in their wider regions, and that wealth is more widely shared among individuals, families, organizations, institutions and businesses.

## RDP Defining Characteristics: The Fine Fifteen

More and more organizations in and across rural America are embracing Rural Development Philanthropy. Organizations that practice RDP are distinguished by how they act. These are the fifteen characteristics that distinguish an RDP organization – five characteristics in each of three major categories.

We produce results that matter.	We forge and fortify community leadership, connections and control.	We use, leverage and build every asset.
<ol style="list-style-type: none"> <li>1. We address the tough or critical issues facing communities.</li> <li>2. We are persistent and patient – working over years if that's what it takes.</li> <li>3. We unite the tools of community development, economic development and philanthropy to produce substantial and sustainable results.</li> <li>4. We are flexible, responsive and creative in identifying and addressing community ideas and opportunities.</li> <li>5. We are measured by our community – based on community results, not on our financial assets or the interests of a chosen few.</li> </ol>	<ol style="list-style-type: none"> <li>6. We seek, respect and listen to voices within all cultures and classes in order to build a more just community.</li> <li>7. We actively engage those who are most often left out of decision-making.</li> <li>8. We work to ensure that power and decision-making are in the hands of all those affected by the decision.</li> <li>9. We partner with those willing to work for change.</li> <li>10. We build capacity in the community to do more and do better to control its own future.</li> </ol>	<ol style="list-style-type: none"> <li>11. We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better.</li> <li>12. We encourage the giving of time, talent, creativity and dollars.</li> <li>13. We champion and celebrate giving by everyone in the community, no matter the amount.</li> <li>14. We build locally controlled unrestricted and permanent financial assets that provide flexibility to meet changing needs and opportunities.</li> <li>15. We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.</li> </ol>

## Living the RDP Characteristics: The “A List”

The basic belief of RDP practitioners is: If we get better at living these **Characteristics**, the community will get better at producing the results it seeks.

Organizations working to improve lives and living in rural America have many choices about what they do and how they do it. RDP organizations use and follow the **RDP Characteristics** as they choose and design their work in and with the community. We do so because we believe that doing our work in line with the **Characteristics** is the best way and the essential way to produce *wealth that sticks* in rural communities over the long term, better lives for all the people who live there, more prosperous and sustainable economies, and a more just, fair and welcoming community.

These **Characteristics** are set forth as guidelines for how community foundations and other local charitable organizations might do their work. But they can be used in practical ways by any organization or group that actively unites aspects of community philanthropy and community economic development in rural communities – a community development organization, a business group that takes on community betterment projects, a religious organization trying to innovate and provide helpful services to families in the congregation, a community development credit union, and so forth.

The **Characteristics** can be used in these four ways to sharpen the RDP thinking and action of an organization or group.

	Purpose: “The A List”	Use the <b>Characteristics</b> as tools to reflect on your organization’s RDP status, goals, plans and results, by answering such questions as:
➡	<b>1</b> <b>Assessment</b> <i>How RDP ready are we today?</i>	<ul style="list-style-type: none"> <li>☐ Which of these characteristics do we currently pursue?</li> <li>☐ How competent are we at each of those we do pursue: fair, good, very good?</li> <li>☐ What practices do we currently use to pursue them?</li> <li>☐ Which characteristics are not yet true of our organization or effort?</li> </ul>
↑	<b>2</b> <b>Aspiration</b> <i>How do we want to strengthen our RDP capacity?</i>	<ul style="list-style-type: none"> <li>☐ <b>Priorities:</b> Which one or two characteristics do we most want to strengthen or become more competent at right now – for work we plan to do in the next six months, or year (work that we want to do in a more-RDP way)?</li> <li>☐ What is our goal for becoming stronger? In other words: <ul style="list-style-type: none"> <li>▪ What specific indicator(s) – within the organization and in community outcomes – would we examine to tell us we were better at this RDP characteristic?</li> <li>▪ In what way do we want each indicator to move, and by how much?</li> <li>▪ When will we regularly take stock of progress on these indicators? And how?</li> </ul> </li> </ul>
↑	<b>3</b> <b>Action Planning</b> <i>How will we do that?</i>	<ul style="list-style-type: none"> <li>☐ For our <b>Priority</b> Characteristics, what current practices do we use to pursue them?</li> <li>☐ What RDP practices are others using that we should consider? What can we invent?</li> <li>☐ Having reviewed what’s possible, which specific practices <u>will</u> we use and/or improve to strengthen each Priority Characteristic?</li> <li>☐ What do we need in order to do that, and over what time frame?</li> </ul>
↑	<b>4</b> <b>Analysis and Accountability</b> <i>How did we do? And what next?</i>	<ul style="list-style-type: none"> <li>☐ How did we act on our plan? What have we done so far in this effort?</li> <li>☐ What has resulted so far?</li> <li>☐ Where are we on our indicators?</li> <li>☐ How does it compare to our goals – and our last assessment?</li> <li>☐ What will we do differently next time?</li> </ul>

Using the RDP Characteristics as a framework for better thinking and doing, the Rural Development Philanthropy Collaborative is developing tools and materials for organizations that want to adopt and practice RDP. These include:

- ☐ **RDP Competencies:** What skills, knowledge and abilities do RDP organizations need to have in-house or connect to?
- ☐ **RDP Critical Practices:** What are specific ideas, programs, activities that RDP organizations are using today to pursue these **Characteristics**?
- ☐ **RDP Case Stories:** What are examples of where doing something the RDP way has made a difference in results on the ground?

## Rationale: Making the Case for Rural Development Philanthropy

### Why Rural Development Philanthropy?

Rural development philanthropy seeks *rural community transformation*. It recognizes philanthropy as a powerful community development tool, enabling communities to build assets that will produce community-driven results and foster an equitable development process.

As a movement, rural development philanthropy creates a level playing field where community members, development practitioners and donors can participate equally and effectively. This kind of philanthropy acts on the knowledge that strategic engagement, collaboration, leverage and inclusion are as important as the size of endowments.

Rural Development Philanthropy is a community-led approach that creates locally controlled assets and invests them to strengthen rural places. It builds a community's ability to shape a better future and promote the well-being of all community members.

### Rural Matters

Building a healthy and vibrant rural America has both ethical and practical considerations. The economic, cultural and environmental health of rural communities affects all Americans. One in five Americans lives in a rural community. About half the world's population is rural. Systems that fail to serve the needs of such a large proportion of the population cannot be considered wise or just. The United States and the globe face increasingly challenging questions about how to feed, fuel and nurture the world's population sustainably and justly. Rural communities have a critical role to play in meeting these challenges. Building healthy, sustainable and just rural communities creates opportunity for everyone.

### Development Matters

The question of whether to give a person a fish or teach her to catch her own is long past. Today, the question is, "Who owns the fish?" Rural communities are familiar with this question, as they grapple with the realities of outside entities owning or controlling such precious assets as forests, water and mineral rights. But whatever their circumstance, every community holds some assets in common, whether they are cultural, natural or financial resources. Today we must ask how to build and use these resources for the benefit of the community. In order to achieve a more equitable and prosperous society, effective development depends on the participation of and control by local residents. This is true both in the United States and throughout the world.

### Philanthropy Matters

The spirit of giving, supporting our neighbors, and contributing to the common good are values present in all cultures and conditions. Organizing these activities in a way that benefits the entire community is an important goal for every rural community. To transform a community, having a locally governed institution for charitable investment from within and without the community is as important as having a good school, a place of worship, a bank, or any other key institution. All communities have the ability to be donors to their own projects – whether the gift is time, talent or tangible wealth.

## The Time Is Now

The combination of these important ideas yields a different kind of philanthropy. Rural development philanthropy combines the tools of asset-based community development with philanthropy in a way that serves the needs and desires of the community. It is based on the assumptions that communities know best and that locally grown and controlled assets lead to both community development and community empowerment. Rural development philanthropy is a tool that builds equity and opportunity from within, using place-based common-sense strategies and all kinds of local assets (financial and otherwise) to achieve a more viable community.

The time for intentional development of the field of rural development philanthropy is now. The environmental, social and economic connections between rural and metropolitan America are critical. There is innovation around public policy engagement in advancing rural philanthropy.

Rural areas have the opportunity to revitalize as active participants in the global economy and rural people are seeking tools to help them compete. Understanding the magnitude of the transfer of wealth from one generation to the next provides rural areas the opportunity to retain assets for local reinvestment.

Critical practices and better tools will help rural communities take advantage of such opportunities. New models for the aggregation and use of local philanthropic assets are emerging. Changing demographics of age, race and ethnicity make the rural development philanthropy practices of inclusivity and participation more important than ever.

**Rural Development Philanthropy unites the tools of community, economic and resource development, engaging all people to come together across their differences with their voices, ideas, strategies, talents and giving.**

## Join the Movement

A group of rural development philanthropy practitioners are committed to building a broader base. The Rural Development Philanthropy Collaborative includes rural philanthropy practitioners, funders and intermediaries from across the world who are taking responsibility to lead, coordinate the development of the rural development philanthropy field, and grow a network of practitioners.

If you would like to learn more about rural development philanthropy and join those who work and advocate to improve its practice, contact any member of the Collaborative Steering Committee:

▪ <b>Aspen Institute Community Strategies Group</b>	Washington, D.C.	<a href="http://www.aspencsg.org">www.aspencsg.org</a>
▪ <b>Black Belt Community Foundation</b>	Selma, Alabama	<a href="http://www.blackbeltfound.org">www.blackbeltfound.org</a>
▪ <b>Center for Rural Strategies</b>	Whitesburg, Kentucky	<a href="http://www.ruralstrategies.org">www.ruralstrategies.org</a>
▪ <b>East Tennessee Foundation</b>	Knoxville, Tennessee	<a href="http://www.etf.org">www.etf.org</a>
▪ <b>Humboldt Area Foundation</b>	Bayside, California	<a href="http://www.hafoundation.org">www.hafoundation.org</a>
▪ <b>Nebraska Community Foundation</b>	Lincoln, Nebraska	<a href="http://www.nebcommfound.org">www.nebcommfound.org</a>
▪ <b>North Carolina Rural Economic Development Center</b>	Raleigh, North Carolina	<a href="http://www.ncruralcenter.org">www.ncruralcenter.org</a>
▪ <b>West Central Initiative</b>	Fergus Falls, Minnesota	<a href="http://www.wcif.org">www.wcif.org</a>

## Related Rural Development Philanthropy Materials

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|--|---|
| ▪ Rural Development Philanthropy Framework     | ▪ Rural Development Philanthropy Critical Practice Profiles |
| ▪ Rural Development Philanthropy Competencies  | ▪ Rural Development Philanthropy Bibliography               |
| ▪ Rural Development Philanthropy Case Parables |   |

# Core Organizational Competencies for Rural Development Philanthropy

***What does it take to practice Rural Development Philanthropy?*** This is probably the most frequent question of aspiring and even experienced community foundations and other organizations that want to practice rural development philanthropy (RDP). The short answer is that effective rural development philanthropy practice requires many or all of the skills and competencies required for traditional community philanthropy – and definitely quite a bit more. In this opening outline of RDP competencies, we focus on this extra piece – the competencies that go beyond those required for a well-run traditional community foundation or other community organization.

As with anything we do, we can strengthen our practice of RDP by building the competencies our organization brings to the work. If we want to take up or improve our practice of RDP, it helps to thoughtfully identify the RDP competencies we have in-house, those we can access through friends and partners, and those we may need to add or strengthen. This description of RDP competencies is organized to help think through that inventory so that we can improve our future RDP efforts.

The attention we pay to strengthening these RDP core competencies makes a big difference in the success of our RDP efforts. They pave the road, making it possible to go farther faster, while expending less energy to get there. Those who have successfully practiced RDP have found that it can require transforming their organization.

## The RDP Top Ten Competencies

By examining the practices of foundations that have engaged deeply and effectively in the practice of RDP, we have identified ten major areas or groups of competencies – ***The RDP Top Ten***.

<b><i>THE RDP TOP TEN</i></b>
<b><i>Ten areas of competency that are critical to effective RDP practice</i></b>
<b>1. Learn about our community and its people.</b>
<b>2. Understand how and why things work the way they do.</b>
<b>3. Develop and maintain relationships with a wide range of people and groups.</b>
<b>4. Communicate effectively with a wide array of audiences.</b>
<b>5. Develop, attract and manage flexible assets and resources.</b>
<b>6. Build a business model that supports the RDP mission.</b>
<b>7. Build capacity in the community's organizations and people.</b>
<b>8. Facilitate participatory dialogue that yields results.</b>
<b>9. Organize for action.</b>
<b>10. Track results, measure progress and adapt as necessary.</b>

When we first look at this **RDP Top Ten** list it is natural to think: “Hey, we’re already doing all this stuff!” It’s true that every community philanthropy organization does have skills in most or all of these areas. However, within each of these ten competency categories there are lots of specific skills and abilities that we may lack. Moreover, RDP requires that we build some skills and competencies more deeply and broadly than does traditional community philanthropy.

Some RDP competencies – particularly those dealing with cultural competency and developing and maintaining relationships – really must be built internally to do this work. But ***we don’t have to have all these competencies in-house***. It can be just as effective to help build some of these competencies in our partners in the community – as long as we can access them when we need them and our institutional culture supports the work.

***Let’s be clear:*** No two RDP challenges require exactly the same mix of competencies, and there is no one way to acquire all the competencies we may need. For instance, if we take on a community healthcare challenge, we will need a different mix of knowledge and expertise than if we take on a community housing challenge. Even so, experienced RDP organizations have identified a set of ***“core competencies”*** that most organizations need – or must have on tap through their partnerships with others – to practice RDP effectively.

The order of *The RDP TEN* is both sequential and simultaneous. If our organization is starting from scratch, we may have to take on some of the things at the top of the list before we are able to do some things further down.

- The first five areas of competency lay the groundwork - without at least some measure of competency in them, it's really hard to take on the rest.
- Competency areas six through nine are the heart and soul of RDP work. They signal where the practice of RDP really begins to look different from traditional philanthropy and community development.
- The final competency – tracking results, measuring progress and adapting – is our reality check. It keeps us honest and helps us refocus our efforts to make the most long-term difference.

Once we get started, chances are that our organization will be working on strengthening many or all of the ten competencies at once. And, unlike some things, sharpening these competencies isn't a “once and done” matter. To continue to be effective, an RDP organization is constantly building and rebuilding its capacities and competencies.

Rather than develop an exhaustive list of every competency we might need, the balance of this brief will discuss each of ***The RDP Top Ten*** and how it relates to – and is different when – practicing RDP. In each area of competency, we will also provide a “short-list” of some of the most important know-how and skills useful for gaining traction with each competency while practicing RDP.



# THE RDP TOP TEN

## *Ten areas of competency that are critical to effective RDP practice*

### Competency Area 1 Learn about the community and its people.

*Every community philanthropy organization or group spends some time and effort getting to know about the community and its people. But RDP organizations tend to go deeper – ferreting out important trends and building a deep knowledge of the community, its people and the issues and opportunities they face. The information gathered supports and drives an RDP organization’s work and helps ensure meaningful and measurable results.*

#### Important Skills and Competencies

- Find or produce useful data (quantitative and qualitative)
- Analyze data to see patterns and identify important trends
- Communicate about data in an understandable and useful way

### Competency Area 2 Understand how and why things work the way they do.

*A defining characteristic of RDP is that it brings the knowledge, skills and disciplines from various fields together with the tools of philanthropy to address critical community issues. This requires access to deep knowledge about relevant development fields, about public policy, and about how and why things work the way they do in communities.*

#### Important Skills and Competencies

- Understand important disciplines and their tools and how they can be used together to improve results. Especially important disciplines include:
  - Economic development
  - Community development
  - Community organizing
  - Public policy
  - Philanthropy
- Understand formal and informal power structures influencing the community – including both those within the community and those outside
- Know the legislative and policy environment and how to influence it

### Competency Area 3 Develop and maintain relationships with a wide range of people and groups.

*Rural Development Philanthropy is intentional about involving everyone affected by an issue in planning and/or deciding what to do about it. Experienced RDP practitioners recognize that involving those who are often ignored or excluded from community decisions for reasons of race, culture, class or ethnicity isn’t just a nice thing to do – it is an essential part of crafting community solutions that are just, work well and are sustainable over time. This requires organizations practicing RDP to get out of their comfort zone, develop new skills and engage with new groups.*

#### Important Skills and Competencies

- Know and maintain trusting relationships with people with influence inside and outside our community
- Develop cultural competence
  - Understand when, where and how to meet other people on their own terms
  - Listen to learn, not to place things in our own framework
  - Be comfortable with and have the skill to talk to and work with people unlike oneself
  - Appreciate values and experiences of others without being judgmental
  - Help people from different cultures and economic classes relate to and work with each other
- Form and maintain healthy, workable partnerships to make things happen

Competency Area 4	Communicate effectively with a wide array of audiences.
<p>A big part of effectively engaging all of the people in a community who are affected by an issue is knowing how to reach them – knowing how the various groups that make up our community get their information and how to tap into these formal and informal communications channels to get our messages out and bring people in. It also requires crafting our messages in a way that will be understood and accepted by widely different audiences – and will draw them into our RDP efforts. This is hard work – going far beyond ordinary communications tactics and messaging skills.</p>	
<p><b>Important Skills and Competencies</b></p>	<ul style="list-style-type: none"> <li>• Understand communication vehicles favored by various community groups, expatriates and others who care about our community, and how to access them for our RDP work.</li> <li>• Write and speak in the languages, vocabularies and styles that are accessible to the people affected by the issues we are addressing</li> <li>• Access and be skilled in the communication technologies various audiences use.</li> </ul>

Competency Area 5	Develop, attract and manage flexible assets and resources.
<p><i>An RDP-practicing organization will be doing new and different things - often driven by a different group of stakeholders than traditional philanthropy and community development. That means that effective RDP practice requires access to flexible resources - money, staff, technology and more - that can be used in new ways when they are needed. The RDP organization doesn't always have to own these resources, but it does have to be able to tap into, attract, mobilize, and direct resources to get the job done when the window for community action opens.</i></p>	
<p><b>Important Skills and Competencies</b></p>	<ul style="list-style-type: none"> <li>• Identify, mobilize and leverage resources from diverse sources inside and outside the community</li> <li>• Write proposals, and administer grants and contracts</li> <li>• Maintain excellent investment and planned giving expertise</li> <li>• Be adept in a range of entrepreneurial funding and fundraising methods</li> <li>• Articulate a compelling case for growing unrestricted endowment and community funds</li> </ul>

Competency Area 6	Build a business model that supports the RDP mission.
<p><i>The traditional community foundation business model supports most operations by charging modest fees on the balance of the foundation's funds. This model is not well suited to fully supporting Rural Development Philanthropy. RDP activities often cost more to carry out than traditional donor and grantmaking services, are often more staff intensive, and require greater time and travel cost to cover the distance to rural people and places. As a result, each RDP organization must intentionally build its own purpose-specific business model to support its work. That often requires new ways of thinking, new ways of acting, and new ways of managing the resources we have. It requires all the business acumen of the best managed community foundations – and more!</i></p>	
<p><b>Important Skills and Competencies</b></p>	<ul style="list-style-type: none"> <li>• Develop – and maintain buy-in for – clearly articulated RDP vision, mission and values</li> <li>• Know what programs and services cost and what revenues they produce</li> <li>• Conduct financial analysis and projections</li> <li>• Organize and align every resource towards mission fulfillment</li> <li>• Select and use current technology to bring efficiency to and support the work</li> </ul>



<b>Competency Area 7</b>	<b>Build capacity in the community's organizations and people.</b>
<i>Because everyone affected by an issue doesn't come to the table equally prepared to participate, an organization must be intentionally inclusive to practice RDP. Nor is there any guarantee that the organizations and people within a community – including the RDP organization – possess the capacities needed to address the critical issues they face. At its best, RDP organizations show up in the community, organize ways for community knowledge to surface and be shared, and partner to identify and build the additional capacities people and organizations within a community need to take on the big issues and find their own answers.</i>	
<b>Important Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Coach, mentor, educate, listen and learn to build the community's capacity to: <ul style="list-style-type: none"> <li>▪ See their community in a larger context</li> <li>▪ Differentiate fact from perception</li> <li>▪ Frame challenges and opportunities in ways that people can understand them and take action</li> <li>▪ Identify existing or create new tools and methods to get things done – and share them!</li> <li>▪ Track and measure progress</li> </ul> </li> </ul>
<b>Competency Area 8</b>	<b>Facilitate participatory dialogue that yields results.</b>
<i>Since RDP is all about engaging all of the affected people in a community in determining how best to address the issues, challenges and opportunities they face, the ability to facilitate purposeful and constructive participatory dialogue and action is at the heart of effective RDP practice. RDP requires a lot more than just getting people in a room to talk. It requires a special set of skills to help make sure everyone is heard, respected, affirmed and valued – and driving that conversation towards collective useful action.</i>	
<b>Important Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Listen actively</li> <li>• Motivate people to participate and act</li> <li>• Design, structure and lead productive conversation, decision-making and planning sessions</li> <li>• Mediate, negotiate and resolve conflicts</li> <li>• Exercise and consistently demonstrate humility and a constructive sense of humor – with grace</li> </ul>
<b>Competency Area 9</b>	<b>Organize for action.</b>
<i>All the knowledge, facilitation, planning, relationships, capacity building or money in the world won't accomplish much if someone doesn't organize them effectively for action. RDP efforts have tons of moving pieces – people, ideas, information, resources – that have to align to get things done. Organizing this kind of effort goes many steps beyond convening a meeting, organizing a fundraising event, or operating a grant program.</i>	
<b>Important Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Do community organizing – bring people affected by an issue to the table to take concerted action</li> <li>• Develop detailed and practical plans, strategies and tactics to get things done</li> <li>• Form and maintain healthy, workable partnerships to make things happen</li> <li>• Position initiatives to navigate within power and decision-making structures</li> <li>• Manage and govern our RDP organization to maintain our role and participation in the effort</li> </ul>
<b>Competency Area 10</b>	<b>Track results, measure progress and adapt as necessary.</b>
<i>Traditional philanthropy often operates on the assumption that if we are doing good, things are getting better. RDP goes a step further. RDP is measured by the community based on outcomes. If a community isn't making progress on tough issues – if things aren't getting measurably or observably better – then an RDP-practicing organization is missing the mark. So, tracking results, measuring progress and adapting our efforts to improve our outcomes are more than just good to do – they are fundamental to practicing RDP.</i>	
<b>Important Skills and Competencies</b>	<ul style="list-style-type: none"> <li>• Develop long-term and intermediate outcome measures and benchmarks to help gauge progress along the way</li> <li>• Understand how to create, collect and use data to document starting points and measure change</li> <li>• Adapt and refine activities regularly – driven by what the data tell us about progress towards desired outcomes and goals.</li> </ul>