



Education and Housing Equity Project Records.

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THE MCKNIGHT FOUNDATION

GUIDELINES

FOR

GRANT

APPLICANTS

- Human Services
- Community Improvement
- Housing
- Public Affairs
- International

MISSION

The McKnight Foundation has a primary interest in assisting people who are poor or disadvantaged by enhancing their capacity for productive living. The Foundation also seeks to strengthen community and community institutions, to enrich people's lives through the arts, to encourage preservation of the natural environment, and to advance scientific knowledge that can improve people's lives. The Foundation's primary geographic focus in its human services and arts grantmaking is the state of Minnesota.

The Foundation employs three strategies to pursue this mission: grantmaking that identifies and meets community needs in response to requests from nonprofit organizations; targeted initiatives developed by the Foundation to meet critical challenges; and support for research in selected fields.

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INTRODUCTION

These guidelines cover The McKnight Foundation's general grantmaking in the following categories:

- *Human Services*
- *Community Improvement and Economic Development*
- *Housing*
- *Public Affairs*
- *International*

Separate guidelines are available for programs in the arts, the environment, and research and applied science.

The Foundation also makes grants through special initiatives. Current initiatives are described in the annual report.

To request the annual report or other grant-making guidelines, call (612) 333-4220.

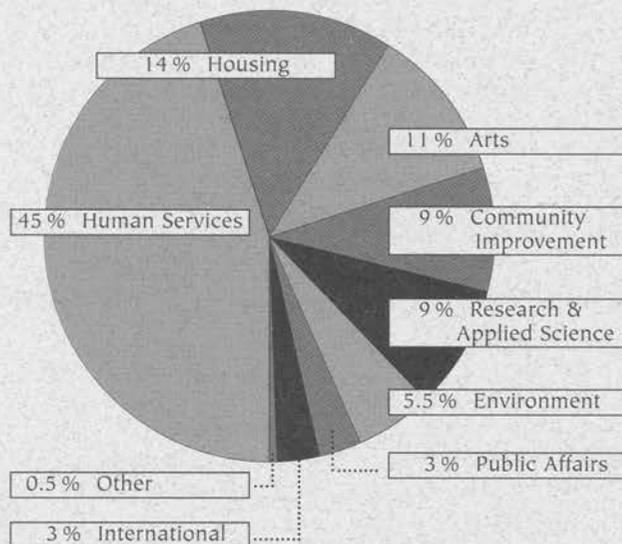
PRIORITIES

Foundations can be most effective by concentrating their resources on a few priority areas. Inevitably, this means they cannot support many worthy projects outside those areas.

The following pages explain The McKnight Foundation's current priorities in selected fields.

In 1995, the Foundation's total grant dollars were allocated as follows:

Summary of Grants Paid 1995
\$55,747,754



The board of directors reviews its priorities periodically and may revise them.

HUMAN SERVICES

The Foundation commits the largest share of its grantmaking to meeting human needs. Within this broad category, we give priority to programs and projects that:

- Encourage sound choices for youth at risk of failure in school, involvement in the juvenile justice system, teenage child-bearing, or destructive lifestyles.
- Strengthen the self-determination and stability of troubled families.
- Provide innovative employment and support services for hard-to-employ people.
- Enhance children's early development by making childcare better and more affordable and by expanding children's opportunities for enrichment.
- Prevent child abuse and improve services to abusive families.
- Help people make a transition to self-sufficiency by providing them with temporary shelter and food.
- Improve access to legal services for low-income women and their children.
- Change systems and institutions so they can better help people with limited resources achieve more satisfying and productive lives.

We give special consideration to programs that help individuals, families, and communities solve their own problems.

COMMUNITY IMPROVEMENT AND ECONOMIC DEVELOPMENT

In healthy communities, people aid and support each other and resolve issues together. We encourage this sharing of responsibility and accountability through programs that:

- Strengthen communities through neighborhood-based planning, human services, and development opportunities.
- Ensure that people with limited resources participate in and benefit from community and economic development.
- Build cooperation among neighborhood residents and the agencies that serve them.
- Enhance economic vitality in the Twin Cities region.

HOUSING

- Collaboration
- Education
- Advocacy

To address the growing need for affordable housing, we support projects that:

- Preserve and produce affordable housing in the Twin Cities area for families who cannot afford market rates. - Africa - Amer.
- Strengthen nonprofit housing developers throughout Minnesota that produce and manage this housing.
- Help promote a sense of community and mutual support among residents of affordable housing developments.

We provide development subsidies through the Family Housing Fund of Minneapolis and St. Paul and similar funds serving greater Minnesota. We provide operating and capacity-building assistance for housing development organizations through comprehensive support programs such as those managed by the Minnesota Housing Partnership in greater Minnesota and the Local Initiatives Support Corporation in St. Paul. Because of these significant commitments, we are extremely selective about additional support for housing.

PUBLIC AFFAIRS

- Alliance
- Rites & History
- Local

We support projects that advance public understanding of important community issues and encourage citizens to participate in decisions affecting their lives and communities.

INTERNATIONAL

International giving is a small part of the Foundation's work. It is restricted to projects that:

- Enhance women's economic opportunity and the well-being of their families in the African countries of Tanzania, Uganda, and Zimbabwe.
- Strengthen the capacity of local leaders to deliver health services and human development programs for the people of Laos, Vietnam, and Cambodia.
- Encourage preventive diplomacy to resolve international conflict, and help prevent or resolve human rights violations, particularly for internally displaced persons.

In general, development projects take priority over emergency relief efforts, except in highly unusual circumstances.

The Foundation does not make grants for exchange programs or travel.

OTHER GRANTS

In areas outside the Foundation's major priorities, including the needs of the elderly and of people with disabilities, the only projects we are likely to consider are those with potential for broad impact, such as the development of a model program or new policy initiative.

Two areas that have been a modest part of our recent grantmaking are:

Education. Our funding is limited to projects that:

- Improve access and chances for success for those who are disadvantaged and who are not served effectively by traditional schools and colleges; or
- Result in substantial, systemwide educational or organizational change.

Because grants in this area are highly selective, we suggest you discuss requests with us before submitting a letter of inquiry.

Health. We fund a very small number of pilot programs in health but do not encourage requests in this field. The one exception is for projects dealing with issues raised by the spread of HIV and AIDS, specifically education and prevention for hard-to-reach groups.

NATURE AND CONDITIONS OF SUPPORT

We support organizations that meet these criteria:

- The organization's mission and most of its activities are closely related to the Foundation's priorities.
- The organization helps people in need in strategic and distinctive ways.
- The organization's management and finances are sound.

We strive to provide the variety of funding organizations need to do their work effectively. This includes:

- Project support to develop or implement special programs or projects.
- Operating support for ongoing needs and operations.
- Capital support for buildings and equipment. (See page 10 for special conditions that apply to capital support.)

In budgeting for special projects, you may include appropriate amounts for agency operating costs attributable to the proposed project.

We will consider a challenge grant when it would assist the applicant's fundraising or when the support of others in the community is a condition of our support.

Duration of Support. You may apply for one or more years of funding.

Endowments. We rarely make grants for endowments.

Additional Conditions for Capital Support.

We make grants to construct, purchase, or renovate buildings or to buy equipment only when the proposed project is central to the applicant's ability to carry out its mission.

Requests for capital grants also are subject to these conditions:

- The applicant must demonstrate that:
 - All options regarding rental, ownership, and location have been evaluated before a decision is made to buy, construct, or remodel a building.
 - The new or remodeled facility will accommodate the organization's needs for a reasonable period.
 - Facility operating costs have been projected and are manageable within the agency's operating budget.
 - The capital financing plan is realistic.
- We will make only one grant to a given capital campaign, except in unusual circumstances.
- We will fund renovation of space leased by a nonprofit applicant only when the nonprofit has a long-term lease. We will not fund renovation of space to be used by a government agency.
- When grants have been approved for building purchases, all local government approvals must be secured and financing plans must be in place before the grant will be disbursed.

- For capital campaigns, we seldom make a gift until the campaign has generated significant support. In applying this policy, we consider the applicant's mission, fundraising capacity, and prior experience with the Foundation.
- Rarely do we pay the entire cost of purchasing or renovating a building. In most cases, we will consider no more than 20 percent of the total cost in the metro area or 40 percent in greater Minnesota.

To gain a realistic assessment of the potential for Foundation support, we suggest you discuss your capital needs with us well before formulating your fundraising plans.

EXCLUSIONS

Generally, we do not accept requests for:

- Scholarships or other types of support for individuals.
- Biomedical research outside established Foundation programs.
- Basic research in academic disciplines.
- Attendance at or travel to conferences, or costs of conference speakers, programs, or activities (except for conferences directly related to the Foundation's grantmaking initiatives).
- Travel, except when related to other McKnight Foundation support of an organization.

ELIGIBILITY

To be eligible for a grant from The McKnight Foundation, organizations must be classified by the Internal Revenue Service as **tax-exempt, nonprofit organizations that are not private foundations**. Except in unusual circumstances, applicants must have received a **favorable determination letter from the IRS** regarding their tax-exempt status before a request will be considered. We discourage the use of fiscal agents.

Units of government may apply for funding for special projects that complement customary public functions. However, we will not fund activities that are traditionally the responsibility of government.

Churches and religious organizations may apply for support for activities that benefit the larger community but not for those that have a sectarian religious purpose.

Grants are not made directly to individuals, except to the recipients of the Virginia McKnight Binger Awards in Human Service. These annual awards are based upon nominations, and individuals may not apply for them.

GEOGRAPHIC FOCUS

The McKnight Foundation's primary geographic focus is the state of Minnesota.

Generally, human service, community improvement, and housing grants are made only within the state.

We support Twin Cities organizations directly. In greater Minnesota, much of our support of human services and economic development is channeled through the six Minnesota Initiative Funds. They are:

- Central Minnesota Initiative Fund, Little Falls, (612) 632-9255
- The Northland Foundation, Duluth, (218) 723-4040
- Northwest Minnesota Initiative Fund, Bemidji, (218) 759-2057
- Southeastern Minnesota Initiative Fund, Owatonna, (507) 455-3215
- Southwest Minnesota Initiative Fund, Granite Falls, (612) 564-3060
- West Central Minnesota Initiative Fund, Fergus Falls, (218) 739-2239

If your organization is based in greater Minnesota and you are requesting support of human services or economic development work, address your proposal to the appropriate initiative fund. Capital requests are an exception. We accept proposals for capital grants from human service organizations anywhere in Minnesota.

Geographic limits vary for special programs initiated by the Foundation. Please refer to the annual report or other program guidelines for information.

CRITERIA FOR GRANTMAKING

In reviewing requests, we consider the following basic questions:

1. Does your organization or proposed strategy, project, or program address a community need that is among the Foundation's priorities?
2. If so, is your organization or proposed activity likely to meet that need effectively and efficiently?
3. Can you carry out the proposed activity?
4. Have you defined how the success of the effort will be measured?

All McKnight Foundation grants are made in accordance with the Internal Revenue Code and associated regulations.

DEADLINES

Please submit a two- to four-page letter of inquiry before sending a full proposal. We encourage you to discuss your project with us first.

Your letter should describe your organization, the proposed project or intended use of funds, and the amount of support requested. To be considered for a specific quarterly board meeting, letters of inquiry must be received at least three months in advance. Letters are accepted at any time; those received past the deadline will be held for the next meeting.

*Letters of Inquiry
Due:*

*Possible
Consideration in:*

September 1

December

December 1

March

March 1

June

June 1

September

We will make a preliminary review to determine whether we can consider a complete proposal. This review takes about three weeks.

A full proposal includes three copies each of a cover letter, cover sheet, narrative, and budget, plus two copies of any attachments and the required legal and financial documents.

Proposals from member agencies or departments of larger organizations, such as universities, units of government, or school districts, must be accompanied by written approval of the request from an appropriate executive officer of the parent organization.

We do not accept facsimile submissions of letters of inquiry or proposals, except from organizations outside the United States.

FOR FURTHER INFORMATION

Other McKnight Foundation programs are explained in the annual report, which is free on request. Call (612) 333-4220 for a copy.

Programs in the arts and environment have their own guidelines, which also are free on request. Deadlines for these programs are:

ARTS

Letters of Inquiry *Possible*
Due: *Consideration in:*

February 1	June
May 1	September
August 1	December
November 1	March

ENVIRONMENT

Letters of Inquiry *Possible*
Due: *Consideration in:*

February 15	June
May 15	September
August 15	December
November 15	March

Applications in research and applied science are considered only upon invitation or special announcement.

ABOUT THE MCKNIGHT FOUNDATION

The McKnight Foundation is a private grantmaking foundation established in 1953 by William L. McKnight and his wife, Maude L. McKnight. Mr. McKnight was one of the early leaders of the 3M Company, although the Foundation is independent of that corporation. The Foundation has assets of more than \$1 billion and makes grants totaling more than \$50 million annually.



THE MCKNIGHT FOUNDATION
600 TCF Tower
121 South Eighth Street
Minneapolis, Minnesota 55402

(612) 333-4220

THE MCKNIGHT FOUNDATION

600 TCF Tower
121 South Eighth Street
Minneapolis,
Minnesota 55402
612-333-4220
FAX: 612-332-3833

September 17, 1996

Request No. 96-854

Ms. Darcy Seaver
Co-Coordinator
Education & Housing Equity Project
122 West Franklin Avenue
No. 320
Minneapolis, MN 55404

Dear Ms. Seaver:

Thank you for your letter requesting consideration of a grant of \$50,000 to the Education & Housing Equity Project.

Unfortunately, we cannot consider support for this project. Although your work clearly is important, we are currently funding other research in this area and prefer to await the outcomes of these efforts before we considering support for similar activities.

We regret that we are unable to help, but wish you well with your work.

Sincerely,


Christine Ganzlin
Grants Manager

CSG:svb

EDUCATION & HOUSING EQUITY PROJECT

August 31, 1996

Ms. Carol Berde
The McKnight Foundation
600 TCF Tower
121 South Eighth Street
Minneapolis MN 55402

Dear Ms. Berde:

Please accept this letter of inquiry on behalf of the Education & Housing Equity Project. Our proposal to The McKnight Foundation requests support to continue and expand our current work on three fronts: (1) supporting and linking existing coalitions that are working on the related issues of housing & education, particularly as they relate to residential and school segregation; (2) solidifying a broad-based coalition that can advocate for racially and economically integrated schools and housing throughout the metropolitan area; and (3) sponsoring informed public conversations and education about these issues. We would like to request \$50,000 over a two-year period.

History & Mission

The Education & Housing Equity Project (EHEP) was created in early 1995 by a group of education and housing advocates who shared a belief in the pressing need to link the issue of school desegregation/integration with the broader issue of segregated housing and neighborhoods. The organization's mission is to act as a catalyst to build broad-based coalitions and engage the community in public discussions and advocacy for the purpose of promoting racially and economically inclusive communities that give families of all incomes, races, and ethnicities access to schools and housing throughout the metropolitan area.

EHEP pursues its mission through a three-part strategy:

- (1) Coalition building and advocacy;
- (2) Community education and public dialogue; and
- (3) Assisting communities in becoming more inclusive and integrated.

Activities & Accomplishments

In its first year, EHEP was awarded a start-up grant to develop the organization and hired part-time staff in late 1995. Since that time, EHEP has worked to develop itself as an organization (including obtaining 501(c)(3) status and beginning a process of strategic planning) and collaborated with other organizations and individuals to determine the best strategies for making progress on these issues that are as complex and daunting as they are immediate.

With staff time limited to a part-time Coordinator's position, EHEP has been involved in the following activities and accomplished the following over the past eight months:

Coalition building. EHEP has spent its first year in numerous dialogues and collaborations. These have led to several specific coalition projects as well as a fuller understanding of the need for an organization that can link these two issues - housing and education - and help develop the desperately needed consensus and leadership to move forward. After two months of one-on-one interviews with a broad range of community leaders and experts in the fields of housing, education, anti-racism, and metropolitan stability, EHEP brought together over 30 organizations

to begin the process of building a broad-based coalition that can work on these combined issues. EHEP has also helped expand the base and scope of existing coalitions by connecting the coalitions with related organizations and encouraging the linkage of housing and schools issues in their work. It has worked with a coalition focused on the re-drafting of the State Board of Education's desegregation rule, for example, and linked that school issue with broader issues of housing segregation and metropolitan stability. Similarly, it has encouraged a coalition working on a fair housing testing campaign in suburban Hennepin to frame this issue in the context of schools and broader life opportunities, too.

Community education & dialogue. In February 1996, EHEP partnered with the Minneapolis Initiative Against Racism, the Minnesota Minority Education Partnership, and the Minnesota Fair Housing Center to create the Community Circle Collaborative (CCC), a metro-wide dialogue project in which at least 200 people from all walks of life will join together - 5-15 at a time - in study circles held throughout the metro area to discuss the question: "How does racial and economic segregation of housing affect educational achievement and life opportunities?" The CCC is now a broad-based collaboration of community-based organizations, public staff and officials, and individuals working in a variety of fields, including anti-racism, housing, education, social justice, religion, law, and social research. The growing list of partners includes: the Minneapolis Initiative Against Racism; Mayor Sharon Sayles Belton; Toward Tomorrow Together (a St. Paul area anti-racism coalition); the Wilder Foundation; the St. Paul Dept. of Human Rights; the MN Churches Anti-Racism Initiative (of the MN Council of Churches, the Greater Minneapolis Council of Churches, and St. Paul Area Council of Churches); the Metropolitan Interfaith Council on Affordable Housing (MICAHA); the Suburban Hennepin Anti-Racism Coalition; and the Institute on Race & Poverty. The Collaboration is chaired by Dr. Josie R. Johnson.

Need

Public discussion about the possibilities for inclusive and integrated communities is rare, usually divisive and poorly informed, not conducted on a systematic or sustained basis, and with too few groups and individuals involved. We believe these adverse conditions imperil the chances of building inclusive and integrated communities in the Twin Cities metropolitan area.

The principal danger is that public discourse is fast settling into simplistic, distorted polarities - neighborhood schools versus forced busing, quality education versus desegregation, core cities versus suburbs, rich versus poor and, of course, whites versus people of color (especially African-Americans). A climate of public opinion poisoned by these divisions inevitably limits what policy makers (and, as we've found in our initial discussions, advocates and community leaders as well) feel they are able to do; we speculate that this climate even limits what judges feel *they* are able to do. In the current environment, the issues are captured by the most extreme and negative voices, which are then amplified by the media. The public sits and listens. Few want to get involved, because of the fear of getting burned in the heated controversy and because of the not-unreasonable judgment that little will be accomplished under these conditions.

There is a need to involve many groups and the broader public in civil, informed conversations about the possibilities for integrated communities. There is a need to expand the serious discussion of these issues beyond the courtrooms and the academic halls. As many people as possible in our community should be participating in the conversation about this issue. The discourse should not be limited to the invectives of "talk radio," the well-intentioned opinions of newspaper editorials, the sociological jargon of academia or the legal technicalities of the court.

The issue is developing rapidly. The question is who will be involved in the public discourse, and how will that discourse be framed. Unfortunately, past experience shows that these issues are easily polarized - and stay polarized. We believe that this familiar yet unfortunate outcome can be averted by organizing a wide range of groups that have a potential stake in integration, by engaging broad-based public participation in informed conversations about what segregation and integration involves and by offering assistance to communities as they seek to become better integrated.

Our Project

In response to this need and based on the experience and information we have gathered over the past year, we propose to continue and expand our work in coalition building and public education. We want to take the public discussion about racial and economic segregation and integration to neighborhood centers, public libraries, school buildings, places of business, living rooms, and backyards - the places where ordinary people live their lives and where the real task of building inclusive communities is going to take place. We wish to encourage and inform public conversations that will help lead people to support the principle of integrated communities and to support efforts to move toward that goal. This organization seeks to educate the public - that is, to lead people to a more informed, effective understanding of the effects of segregation, why integration is important, and how it can be accomplished. Through this process, we hope that people can understand the value of integration for themselves and other people, as well as society as a whole.

We have no illusions that all people will be persuaded, or that all will be willing to participate. There are, after all, real conflicts of interest and conflicts of values. These will not be dissolved by a little talk. But without the effort to bring people together for informed and civil conversations, the most extreme voices will be free to frame the issue. Public-spirited conversation will be drowned out by shrill debate; our common interests and values will get lost in the sea of opposition and conflict.

We propose to continue and expand our current work on three fronts: (1) supporting and linking existing coalitions that are working on these related issues, (2) solidifying a broad-based coalition that can advocate for racially and economically integrated schools and housing throughout the metropolitan area, and (3) sponsoring informed public conversations that will advance the understanding and promotion of inclusive communities. Each of these elements reinforces the others.

(1) Supporting and linking existing coalitions and organizations. There are a wide range of groups and individuals in the Twin Cities metro area with a potential stake in the cause of inclusive and integrated communities and schools. We have begun connecting and collaborating with many such groups in our first year, and believe much can be accomplished simply by helping to support and expand existing coalitions that already focus on housing and school issues, but do not necessarily link those two issues together in their work. We propose to continue our coalition-building efforts by focusing on faith communities, elected officials (legislators, school boards, city councils, mayors, county boards), neighborhood groups, parent organizations, teacher and staff groups, professional education programs, labor unions, business organizations, civic groups, civil rights organizations, human rights commissions, libraries, the media, and others.

These groups all have different interests and different understandings of what integration means for them. Moreover, although we have found that many of them agree in the importance

of linking school desegregation/integration with the broader issue of housing, few actively combine those two issues in their work, or in their recruitment of additional coalition members.

Over the past year we have seen - and begun to build on - a great potential for such broad coalition development and support, but also appreciate that it will require a labor-intensive effort to attract the participation of these groups in these combined issues of housing and education in ways that are appropriate to their interests and capacities. Such an effort is critically needed, however, and these groups constitute the essential infrastructure through which we can develop the broader public understanding and support for integrated communities, and a broader response to the socioeconomic and racial segregation deepening in the Twin Cities area.

(2) Solidifying a broad-based housing/education coalition. The discussions and research we have undertaken over our first year have convinced us that the building of a single coalition that can advocate for more integrated schools and neighborhoods in the Twin Cities will be challenging and slow-going. We have begun to lay the foundation for such a coalition, however - by working within existing coalitions, by listening closely to both mainstream and community leaders and citizens, and by educating them about the realities and options facing us - and will work to solidify it over the next year. We plan to move from the dialogue phase to the issue-identification and action stage, working with the same broad range of organizations and individuals we have identified over the past year, as well as others. As we have found already, once groups have the information and tools to delve into these issues and see how must be linked and pursued in coalition, there is a powerful movement to work together. The challenge over the next year will be to support these groups and individuals in figuring out *how* to further these issues in a way that is equitable, manageable, and capable of attracting widespread support.

(3) Creating informed public dialogue and analysis. The issues of residential and school segregation have become increasingly polarized and complex. There is a palpable sense of ambivalence about what to do about segregation, as both past and present strategies seem inadequate, flawed, or even misdirected. This is true even in those communities most affected by segregation, at every level: citizens, educators, housing advocates, community leaders, and policy makers. Our first year of work has given us a deep appreciation of this confusion, even as it has frustrated and worried us, and convinced us of the necessity of widespread and well-informed public conversations about these issues. Without such conversations, we fear the silence and ambivalence - to say nothing of poor public policy and lack of leadership - will continue. We propose, therefore, to create such opportunities for education and dialogue at several levels:

(a) The Community Circle Collaborative and the "Beyond Busing" study circle project. As noted above, EHEP has been a leading partner in this metro-wide collaboration. The CCC will organize at least 20 diverse "community circles" throughout the metropolitan region, book-ended by a kick-off event and a community-wide conference. The "Beyond Busing" community circles will address - through the prepared *Discussion Guide* and their own dialogue -- the question: "How does racial and economic segregation of housing affect educational achievement and life opportunities?" This project will require: (1) building the Collaborative to include a broad a group as possible, including organizations, public institutions, and individuals from throughout the metropolitan region, (2) promoting and publicizing the project, (3) preparing a *Discussion Guide*, (4) providing research support to the community circles, (5) organizing the Kick-off Event and later Conference, (6) fundraising, (7) recruiting and training

AUGUST 31, 1996

facilitators, and (8) evaluating and reporting on the outcomes of the community circles, the forums, and subsequent action.

EHEP has provided the lion's share of staff support for this project and will continue to do so through the first round of study circles in late Fall 1996 - particularly by helping to build the number of collaborators involved in the project; coordinating its activities and communication; and preparing the *Discussion Guide* - and in the follow-up conference in early 1997. We also hope to use the *Discussion Guide* in additional study circles later in 1997 and 1998.

(b) EHEP will also organize additional public forums, smaller conversation circles, media contacts, and workshops around these issues. EHEP will compile information and produce materials - both text and video - that can be used in support of these conversations and forums. EHEP will also organize a speaker's bureau of experts and community leaders available to speak with the media, attend meetings, and brief organizations and policy makers.

Our work over the past year has only strengthened our belief that an organization such as the Education & Housing Equity Project is desperately needed in the Twin Cities today. The year has also confirmed for us that coalition building and community education are the most effective and promising strategies for accomplishing our ambitious mission. We hope The McKnight Foundation will agree with us and support EHEP's work at this critical stage of its development.

Thank you very much for your consideration. If you have any questions or comments or require additional information, please contact me or Board member Mike Anderson at 871-8980.

Sincerely,



Darcy Seaver

Co-Coordinator

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