

# 2002

## Annual Report

### The John R. Oishei Foundation

#### A Catalyst for Change

For activities  
from January 1  
through  
December 31,  
2002

*The John R. Oishei Foundation remains dedicated to acting as a catalyst for change in the greater Buffalo community*

by supporting creative programs that advance the status quo, are strategically sound, and are strongly focused on excellence. Principal grantmaking areas include education, health care, scientific research and the cultural, social, civic and other charitable needs of the community.

The primary mission of the Foundation is to enhance the quality of life for all of our citizens as well as to enhance the reputation of the city and the region.

In 2002, the Foundation awarded 58 grants totaling \$13,762,000 to not-for-profit organizations in the Buffalo-Niagara area. This year's grants bring the Foundation's total giving to approximately \$124 million since its establishment in 1940.

Over 50% of that total, nearly \$63 million, has been awarded to not-for-profit organizations in Western New York since the Foundation changed its focus in 1998.

#### 2002 Grantmaking by Category

<b>Arts &amp; Culture</b>	<b>\$939,374</b>
<b>Civic &amp; Community</b>	<b>\$423,500</b>
<b>Education</b>	<b>\$6,550,831</b>
<b>Human Services</b>	<b>\$1,681,224</b>
<b>Health Care/ Medical Research</b>	<b>\$4,166,659</b>
<b>Total</b>	<b>\$13,761,588</b>

This was achieved despite the third year of a disappointing investment climate that resulted in a negative 12.1% return on the Foundation's portfolio. As of December 31, 2002, the Foundation had net assets of approximately \$205,000,000. Although assets declined, the Foundation awarded nearly \$500,000 more in grants than in 2001, the total of which represents approximately 6.2% of the average portfolio balance in 2002.

The aftermath of the events of September 11, 2001 and the economic recession have resulted in difficult times for



**We continue to work for a  
united Buffalo-Niagara region**



***"Despite a significant investment decline in 2002, the Oishei Foundation made a deliberate decision not to reduce its grantmaking budget..."***

grantmakers and grantseekers. Cuts in state, county and city funding and decreases in individual giving have forced not-for-profit organizations to reduce or eliminate programs and services, lay off staff, and in some cases, struggle for survival. At the same time, many foundations have suffered significant portfolio losses, which reduces their ability to "pick up the slack" left by public funding cuts and ensure that all the people in our community have the services they need.

Despite a significant investment decline in 2002, the Oishei Foundation made a deliberate decision not to reduce its grantmaking budget. This decision represents an unwavering commitment to the residents of the greater Buffalo area. At the same time, the Board maintained its primary focus on innovative, creative projects with the potential for significant impact. While not-for-profit organizations need core operating support more than ever, it is not practical to rely on foundation dollars to satisfy these needs indefinitely. The Foundation believes, therefore, that it can be most effective by challenging organizations and their leaders to think strategically, implement structural changes and explore more efficient ways of delivering services.

As a result of planning discussions held in 2002, the Foundation's board reaffirmed its commitment to education, health care and scientific research, and arts and culture as its three priority areas of grantmaking. Over the last five years that focus was strongly demonstrated by the level of grants awarded in each of these areas. At the same time, the Foundation recognized the importance of providing assistance to the most needy in our community. Last year, the board authorized grants for basic human services (food, clothing and shelter) to 11 select agencies totaling nearly \$400,000. The following are some of the significant community projects in the three priority areas that received major support from the Foundation in 2002.

***Education***

The Foundation's total giving to education in 2002 was approximately \$6.5 million (48% of total grants awarded). These grants supported efforts to improve elementary, secondary, college/university and adult education.

The largest grant awarded by the Foundation in 2002 was \$2,500,000 to the **Western New York Public Broadcasting Association (WNED)** for the development and implementation of the “Lifelong Digital Learning Service.” An imaginative use of digital technology, this project will offer new learning techniques and opportunities to students, teachers, families and adult learners and workers throughout the region. Curriculum content is being developed in close coordination with the Buffalo Professional Development and Technology Center and key cultural and educational institutions in the community. This grant received the *2002 Award of Excellence for Cultivation and Stewardship* from the National Public Broadcasting Service. In making the award, PBS commended the Oishei Foundation for “its willingness to engage in dialogue, provide direction and weigh community benefit against risk in its decision-making process.”

The problems facing the **Buffalo Public School System** continue to be of grave concern to the Foundation. In 2002 we made a number of grants that support efforts to improve academic achievement for Buffalo students. A grant of \$1,000,000 was awarded to Buffalo State College for the Center for Excellence in Urban and Rural Education, an initiative designed to recruit and retain quality teachers in schools of greatest need. The United Way of Buffalo and Erie County received a grant of \$350,000 to support “Closing the Gap in Student Achievement Performance,” an effort to integrate social services into poorly-performing schools. A \$300,000 grant went to the Education Fund for Greater Buffalo to fund its public engagement campaign for improved literacy, and Project FLIGHT received \$200,000 to support its BookBank and related school-based literacy programs.

#### **Health Care and Scientific Research**

Grants in this area totaled \$4.2 million in the last year (30% of total grants awarded) and funded a variety of projects ranging from community health task forces to innovative research on cardiovascular medicine and vaccine development. The Foundation continued to provide major support to the **Buffalo Niagara Medical Campus (BNMC)**, an organization that is

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***"We believe that [BNMC] has great potential for urban revitalization, business and job creation, and for enhancing the reputation of Buffalo and the region."***

working to create a world-class medical campus for teaching, research and clinical excellence. We believe that this effort has great potential for urban revitalization, business and job creation, and for enhancing the reputation of Buffalo and the region.

The BNMC is playing a key role in the development of the Buffalo Life Sciences Complex, an initiative that will bring Roswell Park Cancer Institute, Hauptman-Woodward Medical Research Institute and the University at Buffalo Center for Excellence in Bioinformatics together in their efforts to become a world-class research center. The Foundation has been involved in extensive discussions with the leaders of these institutions to encourage innovative and cost-effective planning. We have indicated that any potential funding from the Foundation will depend on the ability of these three institutions to create a convincing, collaborative operations plan.

A year ago this report expressed disappointment at the dissolution of the Western New York Health Care Task Force, which the Foundation played a key role in establishing. We are pleased to report that Kaleida Health and the Catholic Health System recently announced the formation of a purchasing cooperative that should save both systems millions of dollars each year. This was one of the Task Force's major recommendations, and we are hopeful that this will lead to future collaborations among the various healthcare systems in our community.

### ***Arts and Culture***

Grants to arts and cultural organizations totaled \$900,000 in 2002 (7% of total giving). While this percentage is lower than previous years, it is important to note that the \$2.5 million grant to the Western New York Broadcasting Association was classified under "education" rather than "arts and culture." Foundation support helped cultural organizations develop innovative programming, strengthen efforts to create a cluster of Frank Lloyd Wright buildings in Buffalo, and encourage more people to visit area cultural institutions.

Last year the Foundation took a leadership role in the area of cultural tourism by hiring the Institute for Local Govern-

ance and Regional Growth to survey all recent studies in this area and make recommendations about the best way for the region to proceed. Based on their recommendations, the Foundation convened a diverse group of leaders to form the **Cultural Tourism Steering Committee**. With core funding from the Oishei Foundation, the committee will build on the momentum created by recent joint arts marketing campaigns to oversee the development of a comprehensive cultural tourism plan for Erie and Niagara Counties.

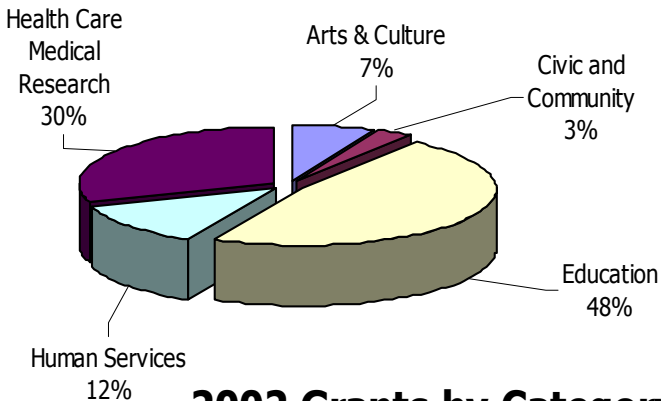
In all our funding areas, our discussions throughout the year have reinforced our belief that every project we fund should fit into a larger plan for the community. In several instances we have played a leadership role in bringing public and private sector leaders together to think broadly and cohesively about the challenges facing our community and region. We urge grant applicants, colleagues and community leaders to join with us in continuing to work for the creation of a common vision for our region and a master plan to achieve it. Although there are many excellent projects underway, the health of our community would be greatly enhanced if each of these independent efforts were identified as a part of an overall plan. It is time to “connect the dots” and create a grand vision for all of Western New York.

Finally, we wish to acknowledge Erkie Kailbourne’s four years of service as Chair of the Foundation’s Board of Directors. Erkie stepped down in June, 2002 but will continue to serve on the Board, offering his unique blend of business acumen and community concern. We thank him for his vision and leadership in a time of significant transition for the Foundation.

James M. Wadsworth  
Chairman and President

Thomas E. Baker  
Executive Director

***“... our discussions throughout the year have reinforced our belief that every project we fund should fit into a larger plan for the community.”***

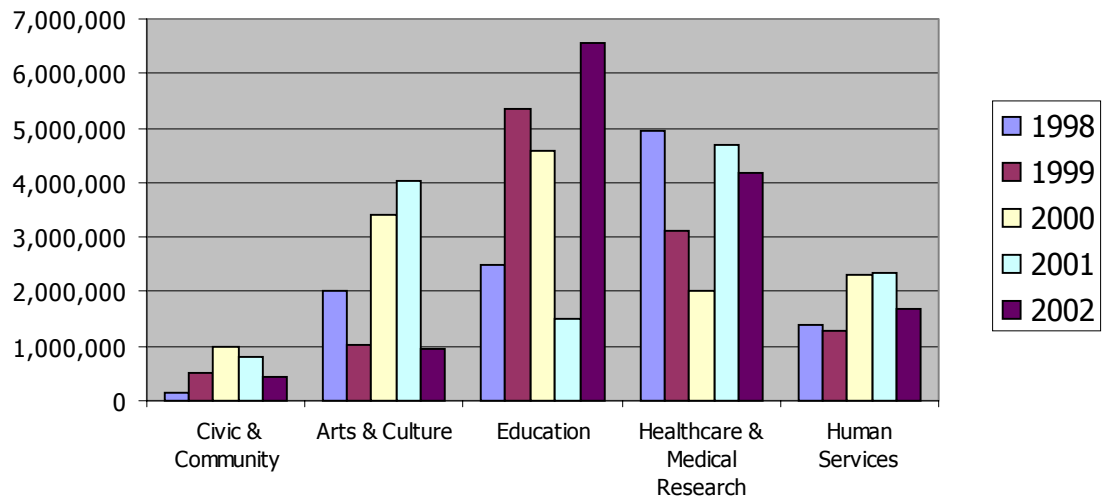


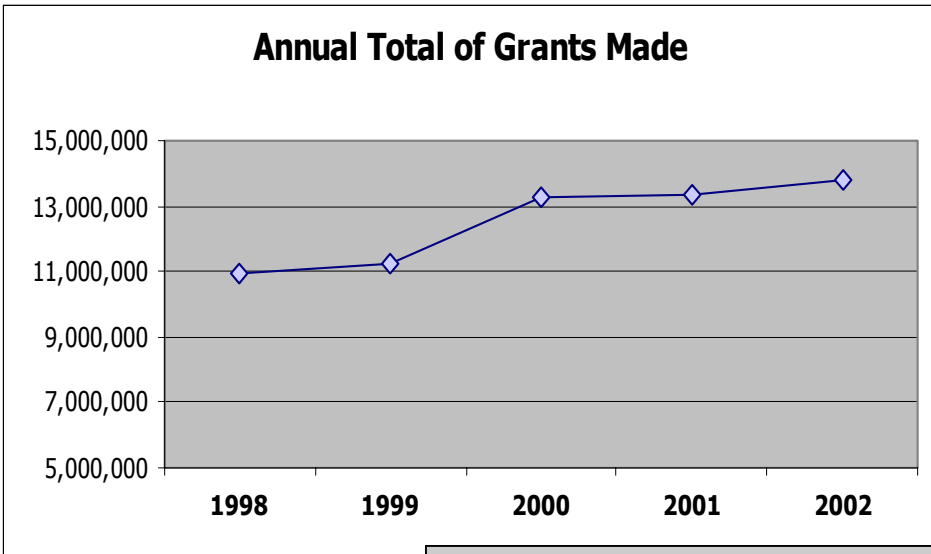
**2002 Grants by Category**

In 2002, Grants by Category is unusual in that it reflects the large (\$2.5m) award to WNY Public Broadcasting. While WNED would ordinarily be classified as an Arts and Cultural organization, the nature of the grant was specifically educational. For this reason, total giving to Arts and Culture appears to be down from prior years.

When viewed by category over the past five years, awards made demonstrate both the flexibility of the Foundation's ability to target resources and the changing nature of the community's emerging needs. It is this ability to adapt that keeps the Foundation from fixing categorical dollar targets.

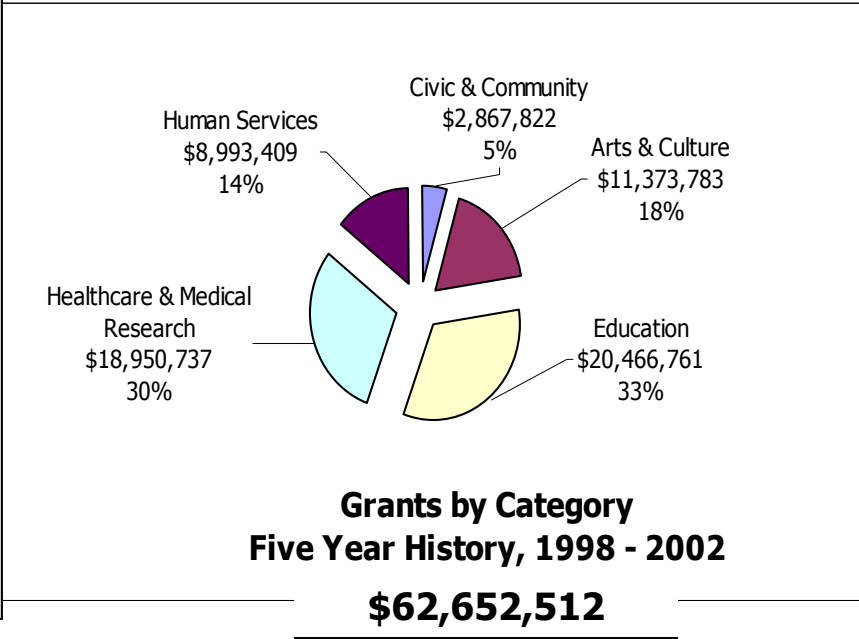
**Grants by Category by Year**





Total annual giving, based on the quality of the proposals received, has risen as stocks performed well and the trusts established for the Oishei children were brought back into the Foundation upon their deaths. Generally, the Foundation expects total giving to remain comparatively stable in the short term despite more recent poor market performance.

The five year history of giving demonstrates a more consistent picture of the patterns of giving. These percentages closely reflect what John R. Oishei envisioned when he established the priorities for the Foundation at its inception. These general proportions are fairly stable, with year to year fluctuations as noted on the facing page.





# Foundation Grants, 2002

## Arts & Culture

<b>Buffalo Philharmonic Orchestra</b>	
* support for collaboration with Shakespeare & Co	\$100,000
* support of Funders Group for 2002	\$200,000
<b>Forest Lawn Heritage Foundation</b>	\$300,000
<i>support to construct the Blue Sky Mausoleum, a Frank Lloyd Wright designed memorial</i>	
<b>Institute for Local Governance and Regional Growth</b>	
* consulting fees for Phase I of the cultural tourism project	\$12,374
* support to develop a master plan for cultural tourism in WNY	\$150,000
<b>Irish Classical Theatre Company</b>	\$60,000
<i>support the production of "A Child's Christmas in Wales" by Dylan Thomas at the UB Center for the Arts</i>	
<b>New Millennium Group of WNY</b>	\$17,000
<i>support to update WalkBuffalo Guidebook, which contains a self-guided walking tour of downtown</i>	
<b>Studio Arena Theatre</b>	\$100,000
<i>support the production of Tennessee Williams' "A Streetcar Named Desire"</i>	
<b>Total, Arts &amp; Culture</b>	<b>\$939,374</b>

## Civic & Community

<b>Association of Small Foundations</b>	\$1,000
<i>contribution for an outstanding job</i>	
<b>Buffalo/Niagara WorldConnect</b>	\$120,000
<i>support the establishment of the Global Education Resource Center</i>	
<b>Nardin Academy</b>	\$52,500
<i>support to refurbish the former home of J. R. Oishei and current residence of the Daughters of the Heart of Mary</i>	
<b>University at Buffalo Foundation, Inc.</b>	\$245,000
<i>support for second and third years of UB Institute for Nonprofit Agencies</i>	
<b>Western New York Grantmakers Association</b>	\$5,000
<i>support for second year of three year strategic planning implementation</i>	
<b>Total, Civic &amp; Community</b>	<b>\$423,500</b>

## Education

<b>Alfred University</b> <i>support for an astronomy education project in conjunction with the Buffalo Museum of Science</i>	\$370,000
<b>The BISON Scholarship Fund</b> <i>support to enable low income children to attend private schools</i>	\$400,000
<b>BISSNET, Inc.</b> <i>support the 2002-2003 scholarship program</i>	\$400,000
<b>Buffalo State College Foundation</b> <i>support for the Center of Excellence in Urban and Rural Education</i>	\$1,000,000
<b>Canisius College</b> <i>support to continue the Oishei Professorship Program</i>	\$840,050
<b>Community Foundation for Greater Buffalo</b> <i>support for 2002-2003 ongoing college scholarship program for the benefit of Western New York college students</i>	\$158,281
<b>The Education Fund for Greater Buffalo</b> <i>support a public engagement campaign to promote improved literacy for BPS students</i>	\$300,000
<b>Hauptman-Woodward Medical Research Institute, Inc.</b> <i>support for the inaugural "Pioneers of Science" education and awards program</i>	\$25,000
<b>Project FLIGHT (Buffalo State College Foundation)</b> <i>support operation of the BookBank and Learning Laboratory</i>	\$200,000
<b>St. Peter Claver Youth Program, Inc.</b> <i>support the academic enrichment and recreation programs</i>	\$7,500
<b>United Way of Buffalo and Erie County</b> <i>support the "Closing the Gap in Student Achievement Performance" initiative</i>	\$350,000
<b>WNY Public Broadcasting Association (WNED)</b> <i>support the Lifelong Digital Learning project</i>	\$2,500,000

**Total, Education \$6,550,831**

Buffalo State College's Center for Excellence in Urban and Rural Education will recruit, train and retain qualified teachers for urban school districts and improve the academic achievement of their students.



# Foundation Grants, 2002

## Healthcare & Medical Research

The Hospice Center of Excellence in End-of-Life Education, Research, and Care will provide critically needed training and support to physicians, practitioners, and students who work with people who are terminally ill.

<b>AIDS Community Services of WNY, Inc.</b> <i>support to open an AIDS Urban Services Center on Buffalo's East Side</i>	\$264,623
<b>Angels Among Us, Inc.</b> <i>support for WNY "Heartsafe 2001," to purchase approximately 110 Automated External Defibrillators (AEDs) for volunteer fire stations in WNY</i>	\$50,000
<b>Buffalo Federation of Neighborhood Centers, Inc.</b> <i>support to develop a strategic plan to improve the health status of Buffalo's Near East Side community</i>	\$130,636
<b>Buffalo Niagara Medical Campus</b> <i>support for third year operations of medical campus</i>	\$200,000
<b>Gilda's Club</b> <i>support for planning and program start-up</i>	\$300,000
<b>Hospice Foundation of WNY, Inc.</b> <i>support to establish a Center of Excellence in End-of-Life Education, Research and Practice for the WNY Region</i>	\$513,400
<b>The Kaleida Health Foundation</b> <i>support for "Moving in Faith," a community health initiative of the Research Center for Stroke and Heart Disease</i>	\$300,000
<b>Mental Health Association of Erie County Inc.</b> <i>support for a continuation of funding for the TELL-IT Anti-Stigma Campaign</i>	\$150,000
<b>University at Buffalo Foundation, Inc.</b> * support to establish an interdisciplinary Center for Research in Cardiovascular Medicine	\$1,500,000
* support for Department of Pediatrics CLASS (Center for Learning and School Success) Program	\$100,000
* support for analysis of virulence factors and potential vaccine antigens of Haemophilus ducreyi	\$300,000
* support for vaccine development for extraintestinal pathogenic E Coli	\$300,000
* support to establish the Clinical Hearing Research Center of WNY (as part of challenge grant)	\$58,000
<b>Total, Healthcare &amp; Medical Research</b>	<b>\$4,166,659</b>

## Human Services

<b>Autistic Services, Inc.</b> <i>support to purchase equipment and for programmatic expenses for a new Multi Sensory Environmental Center</i>	\$75,000
<b>Boy Scouts of America, Niagara Frontier Council</b> <i>support the "Scouting the Neighborhood" initiative</i>	\$325,000
<b>Buffalo City Mission</b> <i>support basic human needs</i>	\$50,000
<b>Buffalo Urban League, Inc.</b> <i>support basic human needs</i>	\$50,000
<b>Catholic Charities of Buffalo</b> <i>support The Creative Edge Studio Art Therapy program</i>	\$200,000
<b>Central Referral Service, Inc.</b> <i>support regional preparation for the 2-1-1 call center system</i>	\$71,250
<b>Child Advocacy Center</b> <i>support basic human needs</i>	\$25,000
<b>Coordinated Care Management Corporation</b> <i>support for the WNY Long Term Care Strategic Planning Project</i>	\$225,000
<b>Crisis Services Inc.</b> <i>support to develop an interactive website and a youth advisory board</i>	\$56,000
<b>Food Bank of WNY</b> <i>support basic human needs</i>	\$75,000
<b>Habitat For Humanity/ Buffalo Inc.</b> <i>support basic human needs</i>	\$25,000
<b>Hispanics United of Buffalo</b> <i>support basic human needs</i>	\$50,000
<b>Journey's End Refugee Services Inc.</b> <i>support for basic human needs</i>	\$25,000
<b>Kevin Guest House</b> <i>support basic human needs</i>	\$25,000
<b>L.K. Painter Community Center</b> <i>support basic human needs</i>	\$25,000

Coordinated Care's Long-Term Care Strategic Planning Project works with a large coalition of providers to begin to prepare WNY for the expansion of the senior and frail elderly population, which will be dramatic over the next decade.



# Foundation Grants, 2002

<b>Moving Miracles, Inc.</b> <i>support to hire a Managing Director</i>	\$45,000
<b>St. Adalbert's Response to Love Center</b> <i>support basic human needs</i>	\$25,000
<b>United Cerebral Palsy Association of WNY</b> <i>support collaboration with Goodwill Industries of WNY to improve organizational capacity by retaining qualified employees</i>	\$183,974
<b>United Way of Buffalo and Erie County</b> * <i>support for continuation of the Not for Profit Resource Center for an additional year</i>	\$100,000
* <i>support for the News Neediest Fund</i>	\$25,000
<b>Total, Human Services</b>	<b>\$1,681,224</b>

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**Total Giving, 2002**     \$13,761,588

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**"This year's grants  
bring the Foundation's  
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## ***MISSION STATEMENT***

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*The Foundation's mission  
is to enhance the  
quality of life  
for Buffalo area residents  
by supporting education,  
healthcare, scientific  
research, and the cultural,  
social, civic and other  
charitable needs  
of the community.*



