

2003 Annual Report

The John R. Oishei Foundation

The John R. Oishei Foundation remains dedicated to playing a leadership role in the greater Buffalo community

...by supporting creative programs that challenge the status quo, are strategically sound, and are strongly focused on excellence. 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 2003, the Foundation awarded grants of \$16,534,000 to 60 not-for-profit organizations in Greater Buffalo, the largest annual amount the Foundation has ever awarded. This year's grants bring the Foundation's total giving to approximately \$140 million since its establishment in 1940.

Nearly 60% of that total, approximately \$80 million, has been awarded to not-for-profit organizations in Western New York since the Foundation changed its focus in 1998.

Despite the bear market over the past three years, the Foundation maintained its commitment to a diversified, balanced portfolio and continued to award grants totaling more than the 5% of average assets required by law. That strategy paid off as financial indicators improved dramatically in the sec-

2003 Grantmaking by Category

<i>Health Care/ Medical Research</i>	\$11,020,000
<i>Arts Culture</i>	\$2,165,000
<i>Human Services</i>	\$1,780,000
<i>Education</i>	\$1,077,000
<i>Civic & Community</i>	\$492,000
<i>Total</i>	<i>\$16,534,000</i>



ond half of this year. As a result of the improved conditions in the market, the Foundation's portfolio performance was exceptional, with a 26% return. As of December 31, 2003, the Foundation had net assets of approximately \$245,000,000. This year's grant awards represent 7.5% of the average portfolio balance in 2003.

The year was challenging for all members of the philanthropic and not-for-profit community. Public funding cuts have been particularly severe, and many not-for-profit organizations are struggling to maintain core programs with fewer resources. Grantmakers and grantseekers alike are exploring new ways to work together, increase the effectiveness of their internal operations and improve their services to the public.

The Foundation responded to this challenging environment by reaffirming its commitment to the key issues facing the Buffalo area, primarily the future economic health of our city and region. The Foundation's major initiatives addressed the "big picture" and involved collaboration among diverse stakeholders, as demonstrated by the following community efforts.

"Despite the market, the Foundation continued to award grants totaling more than 5% of assets ..."

Buffalo Niagara Medical Campus/ Buffalo Niagara Life Sciences Complex

Additional grants totaling \$225,000 were awarded to the Buffalo Niagara Medical Campus (BNMC) in 2003 to support their continuing efforts to create a world-class medical campus/center for teaching, research and clinical excellence. These efforts resulted in a major step forward as three member institutions, the University at Buffalo, Hauptman-Woodward Medical Research Institute, and Roswell Park Cancer Institute launched the Buffalo Niagara Life Sciences Complex. The Foundation had been involved in conversations with the leaders of these three institu-



tions and other entities over the last several years about potential collaboration. As a result of this successful dialogue and planning, the Foundation awarded grants totaling \$9 million to the three institutions in 2003. Our funding and participation played a significant role in helping the institutions raise the \$160 million needed to make the Buffalo Niagara Life Sciences Complex a reality. We have high hopes that this investment will have a significant impact on urban revitalization, as well as business and job creation in the Buffalo area.

Cultural Tourism Steering Committee

Recognizing that the Buffalo area is rich in arts and culture, the Foundation took a lead role over the last few years in recruiting a diverse group of community leaders to address the issue of how to enhance collaboration and improve the readiness of assets to potential visitors to our community. A Foundation grant of \$150,000 in 2003 has helped the Cultural Tourism Steering Committee spearhead a community planning process that has involved dozens of community representatives, nationally-recognized consultants, and the University at Buffalo-based Institute for Local Governance and Regional Growth.

While we are pleased to have stimulated work around this planning effort, we are even more interested in implementing the recommendations that have been made. That part of the effort will require cooperation among people and organizations that is only just beginning to happen, and will be challenging. However, it will not be possible to bring real change to how the region's outstanding cultural assets are viewed unless an acceptance of change emerges strongly. We will give consideration to further support of this project as it moves into the implementation phase to the extent that we believe it can generate and sustain broad support from the entire Niagara region.

"Our funding and participation played a significant role in helping the institutions raise the \$160 million needed ..."



Leveraging New Support

One of the strategies that we try most to employ in our grantmaking is leveraging additional support from other funding sources. Often, we'll challenge grant applicants to match the support we provide, thereby frequently doubling the amount a grantee is able to raise. In a similar way, our awards often serve as "seed grants" to organizations, which allow them to demonstrate the value of a project and raise implementation support that wouldn't have been available to them. One or both of these strategies were successfully employed in 2003 by a number of our grantees. A few are worthy of particular mention.

"This leading-edge research has generated nearly five times the initial investment by receiving a variety of grants based on much of the work ..."

The WNY Institute for the Arts In Education, which has been working on an Oishei supported three-year "Focus Schools" Project in Niagara county, was recently awarded a \$600,000 grant over three years by the federal Department of Education. This grant will support an intensive evaluation program for the approach being taken by Focus Schools, and it is hoped that the program will ultimately serve as a model for other arts-in-education efforts nationally.

The Boy Scouts of America Greater Niagara Frontier Council, Campfire USA, Girl Scout Council in Buffalo and Erie County, 4-H Cornell Cooperative Extension, and the Community Music School have been running the "Youth Town After School Program" on an Oishei grant in the Lackawanna School District. Because it was viewed as an exemplary program by the District, it was used as a main component in applying for – and receiving – a five-year, \$4.5 million grant under the 21st Century Education Department Program.

The Toshiba Stroke Research Center, under the direction of Dr. L. Nelson Hopkins of UB's Department of Neurosurgery,



has received over \$2 million from the Foundation over the past several years. The internationally acclaimed Center has made several significant advances, particularly in the area of vascular interventions. This leading-edge research has recently generated nearly five times the initial investment of the Foundation by receiving a variety of NIH and pharmaceutical company grants based on much of the work completed under the Oishei grant.

Another is the \$1 million challenge grant to Shea's Theater. Together with another funder, Shea's will raise a matching amount from a variety of new sources in order to complete the restoration of this critical, beautiful remnant of our City's past. This successful campaign will enhance Shea's physical and fiscal condition dramatically. We are very excited about the continued renewal in the core of the downtown district.

A few other examples of this leveraging (though not all by any means) include the Coalition of Arts Providers for Children, Autistic Services, and HealthforAll, which started on a Robert Wood Johnson grant matched by Oishei and others.

Buffalo Fiscal Stability Authority (BFSA)

The Foundation's Board of Directors was challenged in July 2003 when the executive director was asked to serve as chair of the state-appointed BFSA. While no grant funding was requested, it would require releasing the executive director to spend a good deal of his time to lead the effort to improve the city's fiscal condition. After careful consideration, the Board approved Tom Baker's participation. The task has been time-consuming and difficult, but it has reinforced the Foundation's role as a leader in the community and a catalyst for change.

"We are very excited about the continued renewal in the core of the downtown theater district..."



"Mr. Mugel had great vision for the Buffalo area and a passion for the benefits the Foundation could provide..."

Finally, we wish to acknowledge two personnel departures from the Foundation. Albert R. Mugel, who served at various times as member, director, officer and legal counsel of the Foundation, died in August of 2003. Mr. Mugel had great vision for the Buffalo area and a passion for the benefits the Foundation could provide to the people of this community.

In December 2003, Anne S. Tobey, Senior Program Officer, resigned from the Foundation. Anne joined the staff shortly after the Foundation changed its focus in 1998 and has played a key role in helping the Foundation make the transition to a more proactive, professional philanthropic organization.

They will both be missed and we gratefully acknowledge their efforts on behalf of the Foundation and the community.

At the same time, we are pleased to welcome two excellent successors. Clotilde Perez-Bode Dedecker has joined our board of directors, bringing with her an exceptional background and outstanding working knowledge of WNY. Blythe Merrill, a relative newcomer to WNY, fills the staff spot as Program Officer. She brings excellent experience working with nonprofits and foundations at local and state levels. Clotilde and Blythe will greatly enhance the ability of the Foundation to meet its mission in the community. We welcome them both!

James M. Wadsworth
Chairman and President

Thomas E. Baker
Executive Director



Board of Directors

James M. Wadsworth
(Chairman and President)

Mary S. Martino
(Vice President)

Allan R. Wiegley
(Treasurer)

Thomas E. Baker
(Secretary)

Robert M. Bennett

Clotilde Perez-Bode Dedecker

Christopher T. Dunstan

Richard D. Fors, Jr.

Erland E. Kailbourne

Staff Members

Thomas E. Baker
Executive Director
tebaker@oisheifdt.org

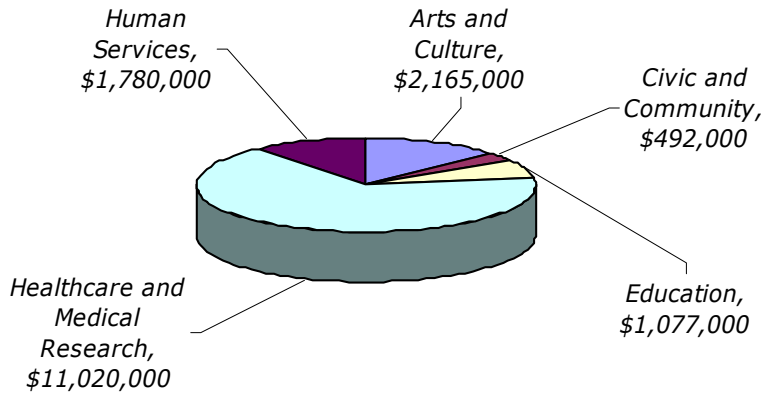
Paul T. Hogan
Program Officer
pthogan@oisheifdt.org

Blythe T. Merrill
Program Officer
btmerrill@oisheifdt.org

Gayle L. Houck
Executive Assistant
glhouck@oisheifdt.org



2003 Grants by Category Total: \$16,534,000

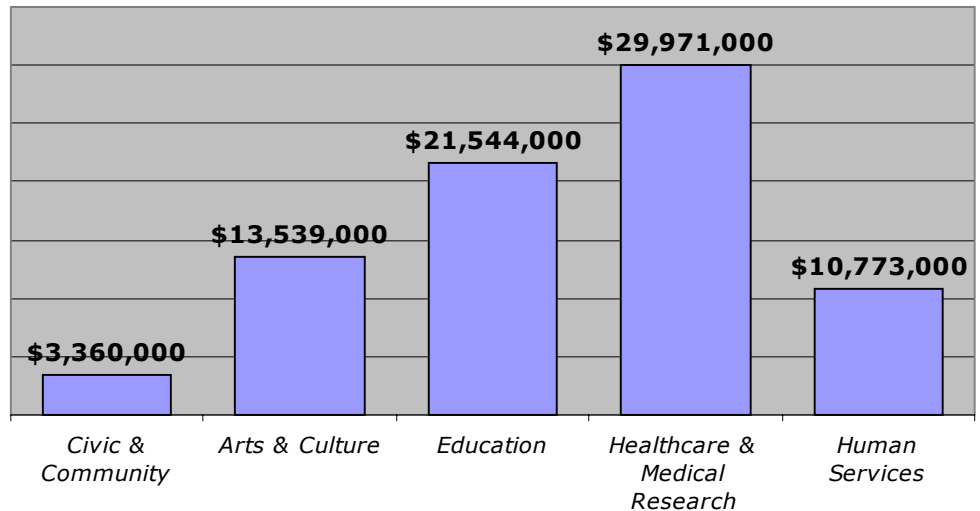


In 2003, the largest grant category was Healthcare and Medical Research, due mainly to the Foundation's \$9 million grant in support of the Life Sciences Complex. When complete, the complex will provide tremendous opportunities for collaboration

among researchers at Hauptman-Woodward, Roswell Park, and UB. Expectations are high that the Medical Campus will anchor regional economic development related to the life sciences.

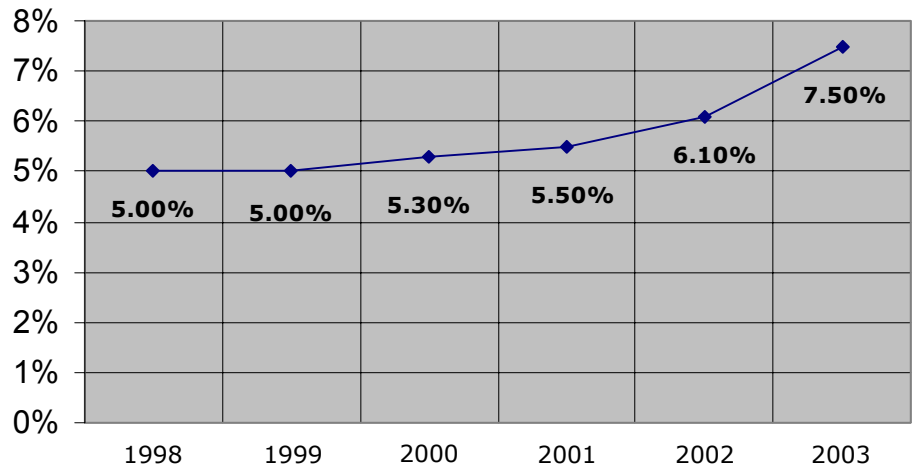
When viewed in the aggregate over the six years since 1998, grant-making by the Foundation has achieved what Mr. Oishei intended when he determined the Foundation's giving priorities. Highest priorities continue to be Healthcare and Education, followed by the Arts and other community needs as they emerge.

Grant History by Category, 1998 - 2003 Total Awarded: \$79,187,000





Annual Grants Awarded as a Percentage of Endowment

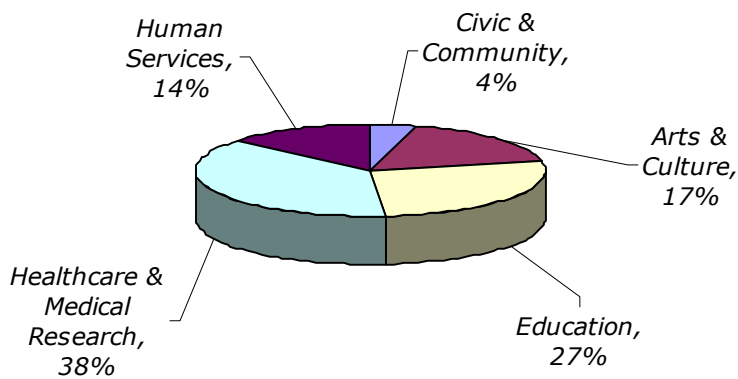


The Foundation is required to pay out 5% of the average assets of the endowment each year, and that requirement has been met or exceeded each year. As the graph at the right indicates, the Foundation has also awarded annual grants at or in excess of 5% each year.

The Foundation expects giving levels to remain essentially constant in the future.

Categories and priorities of giving were determined by Mr. Oishei at the Foundation's inception, and will continue for the life of the Foundation. As a year-to-year analysis demonstrates, the amounts given within each category vary significantly, but over the longer term reflect the founder's intent.

Grant Percentage by Category 1998 - 2003





Foundation Grants, 2003

Arts & Culture

Buffalo Philharmonic Orchestra <i>support the Lucas Foss Festival in April 2003</i>	\$100,000
Children's Art in the Family Court Building Fund <i>support to display children's artwork in the new Erie County Family Court Building</i>	\$5,000
Coalition of Arts Providers for Children <i>support to match NY State Council on the Arts funds for professional arts educators development program</i>	\$20,000
Hamburg Natural History Society, Inc. <i>support for initial staffing</i>	\$80,000
Irish Classical Theater Company <i>support for 1940's Radio Hour production</i>	\$40,000
MusicalFare Theater Company <i>support for development and marketing of world premiere musical based on Frank Lloyd Wright and Darwin Martin</i>	\$50,000
Neglia Ballet Artists <i>support for start up staffing</i>	\$30,000
Old Fort Niagara, Inc. <i>support for the Gateway to History Exhibits Project</i>	\$475,000
Shea's Performing Arts Center <i>support major funding initiative to address both fiscal and physical restoration (challenge grant).</i>	\$1,000,000
Studio Arena Theater <i>support the creation of a Play Development Program</i>	\$170,000
Theater of Youth <i>support the production of HOLES</i>	\$75,000
White Pine Press <i>support to bring multi-cultural writers to WNY in cooperation with the just buffalo literary center</i>	\$120,000

Total, Arts and Culture

\$2,165,000



Buffalo Niagara Convention & Visitor's Bureau Foundation, Inc. <i>support Buffalo Niagara 2003: One Summerlong Sensation</i>	\$150,000
Canisius College <i>support for "A Buffalo Conversation"</i>	\$2,500
Central Referral Service, Inc. <i>support to evaluate databases for regional 211 initiative</i>	\$6,000
Community Action Organization, Inc. <i>support the reorganization, implementation, and evaluation of the citizen mobilization program</i>	\$50,000
Dominik Hasek Youth Hockey League, Inc. <i>support Hasek's Heros Program (matching grant)</i>	\$25,000
Rochester Grantmaker's Forum <i>support the 2003 Funder's Alliance Conference: "Building a Philanthropic Community"</i>	\$2,500
St. Louis Church <i>support the 175th Anniversary Campaign to renovate the church (in memory of John R. Oishei)</i>	\$250,000
Miscellaneous <i>support selected smaller initiatives</i>	\$6,000
Total, Civic and Community	\$492,000

Civic & Community

BISSNET, Inc. <i>support the 2003-2004 Scholarship program</i>	\$430,000
Buffalo and Erie County Historical Society <i>support educational programming related to the visit of the Freedom Schooner Amistad</i>	\$50,000
Buffalo Hearing and Speech Center Foundation <i>support to start the Oral School for Deaf Education</i>	\$75,000

Education



Foundation Grants, 2003

Education

(continued)

Community Foundation for Greater Buffalo <i>support for 2003-2004 college scholarship program for the benefit of WNY college students</i>	\$147,000
Erie County Association of School Boards <i>Support planning phase of a Task Force on Regional collaboration and Shared Services</i>	\$150,000
International Institute of Buffalo <i>support an english as a second language teaching program for homebound refugee women</i>	\$45,000
Parent Network of WNY <i>support to expand services for parents and caregivers of special needs children in Buffalo, Lackawanna, and Niagara Falls</i>	\$160,000
Read and Seed <i>support a literacy/media arts program for at-risk high school students</i>	\$20,000
Total, Education	\$1,077,000

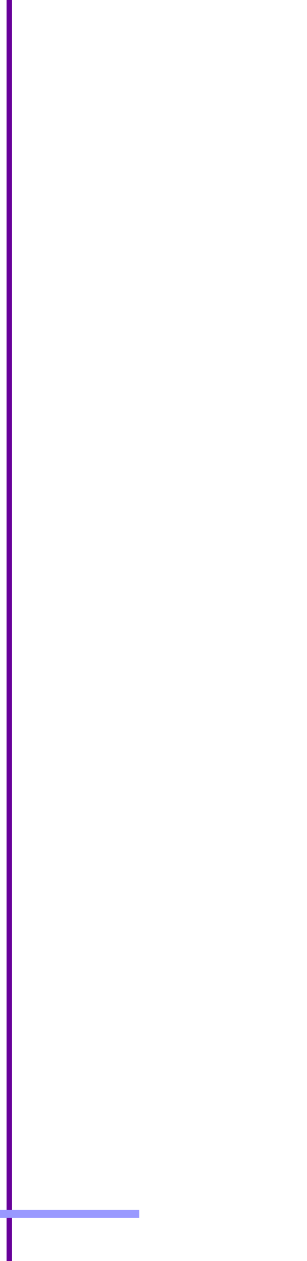
Human Services

Alcohol and Drug Dependency Services Foundation (Kids Escaping Drugs) <i>support the development of a vocational coordination program for teen clients and recent graduates</i>	\$100,000
Belmont Shelter Corp. <i>support basic human needs</i>	\$25,000
Buffalo City Mission <i>support basic human needs</i>	\$50,000
Buffalo Federation of Neighborhood Centers <i>support basic human needs</i>	\$65,000
Camp Fire USA <i>support the implementation of a collaborative education based after school program for youth in Lackawanna</i>	\$230,000
CASA (Court Appointed Special Advocate) <i>support the continuation of the CASA Family Treatment Court Project</i>	\$10,000



Compass House <i>support basic human needs</i>	\$25,000
Everywoman Opportunity Center, Inc. <i>support the Economic Self-Sufficiency Calculator</i>	\$200,000
Food Bank of WNY <i>support basic human needs</i>	\$50,000
Girl Scout Council of Buffalo and Erie County <i>support the "Girl Scouts R.U.L.E." Program (Rural and Urban Learning Experience)</i>	\$390,000
Goodwill Industries of WNY <i>support the Technical Training Center for an additional year</i>	\$50,000
Group Ministries, Inc. <i>support basic human needs</i>	\$50,000
HomeSpace Corp. <i>support basic human needs</i>	\$25,000
Lt. Col. Matt Urban Human Services Center <i>support initial staffing for the Buffalo Community Center Collaborative</i>	\$175,000
Operation HOPE <i>support start-up programs and administrative staffing for community outreach programs</i>	\$200,000
Sisters of Mercy of the Americas <i>support basic human needs through the St. Brigid's Outreach Program at the Perry Housing Project</i>	\$25,000
Society of St. Vincent de Paul <i>support basic human needs</i>	\$25,000
United Way in Buffalo and Erie County <i>support the News Neediest Fund</i>	\$10,000
Valley Community Association <i>support basic human needs</i>	\$25,000
YWCA of WNY <i>support basic human needs</i>	\$50,000
Total, Human Services	\$1,780,000

**Human
Services**
(continued)





Foundation Grants, 2003

**Medical
Research
&
Healthcare**

Alleyway Theatre, Inc.	\$22,000
<i>support for pilot phase of Fast Forward: Teen Pregnancy Prevention Theater Project (KidShowCo)</i>	
Buffalo Niagara Life Sciences Complex	
<i>support components of the complex development:</i>	
* Hauptman-Woodward Research Institute	\$3,500,000
* Roswell Park Cancer Institute	\$3,500,000
* University at Buffalo Bioinformatics Center	\$2,000,000
Buffalo Niagara Medical Campus	
* <i>support infrastructure development</i>	\$100,000
* <i>support for a connecting walkway in memory of Albert R. Mugel</i>	\$125,000
Child and Adolescent Treatment Services	\$231,000
<i>support for establishing a collaborative to deliver specialized medical care to children entering foster care</i>	
The Child Advocacy Center of Niagara	\$30,000
<i>support services during funding transition (reallocation from 2002 Niagara Falls Memorial Medical Center grant)</i>	
Community Health Network of WNY	\$60,000
<i>support for a second year of development (matching grant)</i>	
The Harry and Jeanette Weinburg Campus	\$150,000
<i>additional funding for the 2000 PACE Program</i>	
Hauptman-Woodward Medical Research Institute	\$75,000
<i>support development of antibody and antiviral treatment for SARS</i>	
Pursuing Perfection (P2), Inc.	\$195,000
<i>support for follow up community intervention planning for "Target the Heart" summit</i>	
Roswell Park Alliance Foundation	\$200,000
<i>support to establish "A National Resource Center for Modeling Human Disease"</i>	



St. John Fruitbelt Community Development Corp. \$300,000
support for an eight bed Hospice facility in cooperation with the Center for Hospice and Palliative Care

University at Buffalo Foundation
* support for research on metabolic myopathies and encephalomyopathies in children and adults \$354,000
* support for research on human umbilical cord derived neural stem cells for treatment of neuronal degeneration \$98,000

WNY United Against Drug and Alcohol Abuse \$80,000
support for the State Incentive for Community Action (SICA) Program

Total, Medical Research & Healthcare **\$11,020,000**

Total Giving, 2003 **\$16,534,000**

Medical Research & Healthcare
(continued)



"This year's grants bring the Foundation's total giving to approximately \$140 million since 1940. Over 60% of that total, nearly \$80 million, has been awarded since the Foundation changed its focus in 1998."



MISSION STATEMENT

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.

For information on applying to the Foundation,
please visit our website:
www.oisheifdt.org, or contact us at 716 856-9490.

Letters of Inquiry should be addressed to:

Thomas E. Baker
Executive Director
The John R. Oishei Foundation
One HSBC Center, Suite 3650
Buffalo, NY 14203