



LAUREL HOUSE

# Educational Endowment Solicitation

**APRIL 2008**  
(REVISED)



## **Table of Contents**

|  |       |
|--|-------|
| Background on the Formation of the Educational Endowment           | P. 1  |
| Award Process and Operation of the Fund                            | P. 4  |
| Program Capacity and Experience Supporting Educational Initiatives | P. 6  |
| Management of all Endowment Investments                            | P. 11 |
| Fundraising Strategy and Objectives                                | P. 13 |
| How You Can Contribute   | P. 15 |
| Appendix 1 – Laurel House Description and History                  | P. 18 |
| Appendix 2 – Laurel House Financial Statements (attached)          | P. 20 |

# **Background on the Formation of the Educational Endowment**

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### **The William R. Battey Scholarship Fund**

William R. Battey, along with three other gentlemen, helped found and build Laurel House, a clubhouse program for people with serious mental illness, located in Stamford, CT and serving all of lower Fairfield County. Until days before his death in 2003, he was actively involved in the day-to-day life and governance of Laurel House, which he loved as a second family.

Throughout his life, Mr. Battey pursued and believed in the power of education and the hope of the better life it can provide to all who participate in it each day. Himself a beneficiary of a scholarship at Yale University, it was his dream to one day provide the same opportunity for others. It is our hope to fulfill his vision.

The William R. Battey Educational Scholarship Fund has been established by a group of his friends to support the continuing educational needs of the Laurel House community. Both clubhouse members and staff who qualify may apply for grants each year to pursue their educational goals. This Scholarship Fund has three major objectives:

- **Support** higher education at Laurel House by providing a direct financial subsidy of the costs of tuition, books and related expenses to any member who needs it and providing partial tuition reimbursement to qualifying staff.
- **Encourage** the Laurel House membership and staff to establish and pursue educational goals that will nurture their careers and help them become more valuable, contributing members of both Laurel House and the communities they live in; and

- **Recognize** and celebrate the accomplishments of both members and staff as they reach educational benchmarks and/or attain pre-established goals.

## **Governance**

- A Battey Educational Scholarship Committee composed of the President and Vice President, the LH Supported Education Coordinator, two clubhouse members and two members of the Board of Directors, has been constituted and will hold semi-annual meetings to:
  - Review and approve the naming of “Battey Scholars” based on recommendations of the Executive Director for all staff awards and the Supported Education Coordinator for all member awards; and
  - Conduct a review and accounting of the fund provided to the Executive Director (and/or his/her designee); and
  - Conduct such other business as may be necessary, including the establishing of fundraising goals and procedures.
- The Scholarship Fund is segregated from all other funds and separately accounted for on the books of Laurel House as a designated (permanently restricted) fund.
- An investment manager for the endowment has been selected by the Executive Committee of the Board of Directors to report directly to that committee on all investment activities related to the Fund.

## **Award Process and Operation of the Fund**

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- All Laurel House members with financial need electing to further their education by attending college, a credited trade school or an equivalent institution of higher learning will be eligible to receive assistance from the fund. Partial scholarships based on merit and enrollment in a program of studies consistent with their duties, will also be made to selected staff with one or more years employment at the clubhouse.
- The Supported Education Coordinator will ensure that members have applied for and received all federal PELL Grants and any other educational grants they may qualify for prior to submitting their names to the Battey Educational Scholarship Committee. In some cases the fund may also loan money to members pending arrival of funds from other sources.
- Scholarships to members will take the form of a grant for up to 100% of tuition, books and related educational expenses. Tuition, student fees and book expenses will be paid directly to the appropriate educational institution. A small proportion of cash grants for related expenses may also be paid directly to the member.
- Scholarships to qualifying staff will take the form of a reimbursement of two-thirds of the cost of tuition only, for up to four courses per year which the recipient successfully completes.
- The Supported Education Coordinator is responsible for tracking the progress of each individual awarded a scholarship.
- An annual dinner or luncheon is held to announce the names of the Battey Scholars for that year and celebrate accomplishments in the areas of education and employment.
- All academic Scholarship Awards will emanate from the William R. Battey Scholarship Fund, thus, over time, easing pressure on the Laurel House general budget.

**Program Capacity and Experience  
Supporting  
Educational Initiatives**

## **Program Capacity and Experience Supporting Educational Initiatives**

### **Background**

Laurel House is proud of its role in the development of supported education services for people with mental illness. It was the first social service organization in the United States to offer a comprehensive program in supported education to this population and people representing agencies around the world have visited the club to observe and replicate the education model that was pioneered there. The Laurel House experience is one of continuous encouragement, support and recognition of the people it serves. The Battey Educational Scholarship Fund is the next step in moving Laurel House forward in this mission. As Mr. Battey once said, "Education is about our hope for the future." The William R. Battey Scholarship Fund will reinforce the message of hope that lives and grows each day at Laurel House.

Laurel House began the Supported Education Program fifteen years ago with the aim of providing members with the academic support and encouragement they would need to enroll and succeed in college. Laurel House staff helped many members apply for federal PELL Grants to fund their education, but some were not eligible for this assistance and the clubhouse soon found itself providing grants and loans so they, too, could go back to school. In 1994 the club offered a new tuition reimbursement benefit to deserving employees who wished to further their career at Laurel House by obtaining more education. To date, the cost for these benefits has been included in the annual operating budget, although in recent years the need has far surpassed available funding.

## **Benefits for Members**

Educational awards to members provide a wonderful opportunity to pursue college level courses at Norwalk Community College. The ability to take a “college level” course enables our members to grow to another level of individual success and development which can be a critical springboard to independence. If there was ever a message of hope for our members, it revolves around the ability to pursue continuing education and self-improvement, as well as employment. It’s ok to try, fail and try again. It’s the effort and participation that are critical.

## **Benefits to Staff**

Our staff comes to us with wonderful and varied backgrounds. As is typical in social services, they are with us, first and foremost, to do the best job possible for our family of members, and not just for the money. It is an increasingly competitive world out there, however, so it is essential for us to provide a benefits package that enables us to keep great people, who will continue developing, striving and being happy in their jobs. Laurel House is blessed to have some of the most dedicated, helpful and caring employees to work for any social service organization. But many of them come from disadvantaged backgrounds themselves and have not had the opportunity to go to college. Others come to us with a Bachelor’s Degree and later want to enhance their skills so they can do a better job and advance their careers. We strongly encourage this kind of self-improvement, because it is the right thing to do and because it results in a stronger, professionally competent workforce to better serve our members.

We have a strong relationship with the School of Social Service at Fordham University, as well as other colleges and universities in

the area, which will enable us to provide this continuing educational opportunity for our staff. Graduate programs at major universities are expensive and Laurel House staff are usually not eligible for the same educational grants as our members. But this key benefit is not just good for them; it is good for our members and ultimately creates a stronger more committed workforce with long-term ties to the Laurel House family. In return for this benefit, participating staff are asked to make a two-year post-graduate commitment to their employment at Laurel House, to ensure that the clubhouse is able to reap the benefit of their increased competence and productivity.

**Summary/History of all Educational Awards for  
Members and Staff of Laurel House**

|                                    | <u>2008</u>    | <u>2007</u>    | <u>2005</u>     | <u>2004</u>    | <u>2002</u> <sup>3</sup> |
|------------------------------------|----------------|----------------|-----------------|----------------|--------------------------|
| <b>Member Awards</b>               | <b>3</b>       | <b>3</b>       | <b>5</b>        | <b>1</b>       | <b>2</b>                 |
| <b>Total \$ Amount<sup>1</sup></b> | <b>\$4,129</b> | <b>\$1,053</b> | <b>\$3,067</b>  | <b>\$1,122</b> | <b>\$729</b>             |
|                                    |                |                |                 |                |                          |
| <b>Staff Awards</b>                | <b>1</b>       | <b>1</b>       | <b>4</b>        | <b>1</b>       | <b>0</b>                 |
| <b>Total \$ Amount<sup>2</sup></b> | <b>\$2,389</b> | <b>\$4,725</b> | <b>\$13,503</b> | <b>\$6,806</b> | <b>0</b>                 |

10

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<sup>1</sup>In general, members attend classes at Norwalk Community College. Members are frequently eligible for Federal grants.

<sup>2</sup>Usually, staff members, are pursuing a graduate degree and attend Fordham University or other competitive graduate schools approved by Laurel House. The staff are only occasionally eligible for Federal grants.

<sup>3</sup>There were no significant scholarship awards in FY 03 or 06.

# **Management of All Endowment Investments**

## **Management of All Endowment Investments**

The Endowment is managed so as to preserve capital and provide an acceptable market related current return. While a payout ratio will be agreed and approved each year by the Board before calendar year-end, the general operating philosophy is to spend a “current return” only each year. Exceptions to this philosophy can only be made if approved by 100% of the Board. The selected manager(s) of the Endowment will report to the Finance Committee of the Board on all policy related to the investment management of the Endowment.

The Board has approved a payout rate for the Battey Education Fund, which will be 4% of the average market value calculated over the prior twelve quarters to each year-end. The Finance Committee of the Board (by a simple majority vote) may change this payout assumption, if approved, a maximum of one time a year (on a calendar year basis) and will advise the manager of the Endowment accordingly a month before year-end.

Michael S. Battey, an independent money manager, and son of William R. Battey, has been selected to manage the Endowment. Mr. Battey worked at Bessemer Trust Company for 9 ½ years, DLJ Asset Management Group for 3 years, where he was a member of its Operating Committee, and now is Chairman of the Investment Committee for the St. Francis Foundation, a \$65 million community and medical foundation located in San Francisco. He also acts as investment advisor to several families in formulating their investment structure, strategy and manager selection.

The educational needs of Laurel House members and staff will continue to be funded by Laurel House out of its yearly general budget until such time that the Endowment covers its budgetary needs. We anticipate that the total Endowment needed to fund our needs will be approximately \$400,000 in today’s market.

# **Fundraising Strategy and Objectives**

## **Fundraising Strategy and Objectives**

To date, over 45 people have given nearly \$140,000 to begin to fund this Endowment. Over the next three years, our objective is to raise an additional \$260,000 to fully fund the educational endowment for Laurel House.

The income from the final \$400,000 endowment, assuming a 4% payout, would be sufficient to fund our educational needs for the members and staff of Laurel House.

## **How You Can Contribute**

## **How You Can Contribute**

We need your assistance to meet both our long-term objective for the fund. If you are interested in participating, please contact:

Deborah Morant  
Development Director  
Laurel House  
1616 Washington Blvd.  
Stamford, CT 06902  
(203) 324-7734  
[deborahmorant@laurelhouse.net](mailto:deborahmorant@laurelhouse.net)

Any check you wish to enclose should be made out to:

**“Laurel House – WRB Scholarship Fund”**

### **Laurel House also welcomes gifts of securities**

For instructions on contributing securities to Laurel House contact Deborah Morant, at the above address and telephone.

**Thank you for your consideration.**

# Appendices

## **Appendix 1 – Laurel House Description and History**

Laurel House is a “for impact” 501(c)(3) organization, founded in 1984 by a consortium of mental health providers and private citizens in Stamford and surrounding communities to provide community support and rehabilitation services to low-income adults with serious mental illness. Its mission is to promote the recovery of people with a history of long-term and/or multiple psychiatric hospitalizations and assist their adjustment to the community.

Laurel House is a “membership” organization, a self-help approach commonly known as the “clubhouse” model. It is a community-based, non-medical approach, which focuses on the individual capacities of people with serious mental illness to lead productive, meaningful and rewarding lives in the community. Participants in the program are referred to as “members” in order to emphasize the idea of their belonging to a vital and significant social organization, which values their contributions while providing them with important supportive services.

While we normally focus on the positive capabilities of our members, it is nonetheless true that their lives have been seriously disrupted by mental illness. These are people who without exception live below the poverty line, many of whom have experienced homelessness, malnutrition, diminished health and extreme social isolation as a result of their disability. It is a population with increased risks for HIV/AIDS, suicide and substance abuse, all of which we see at Laurel House. What Laurel House offers is an alternative to despair and a chance to recover from the most devastating effects of mental illness: the loss of family ties and social relationships, of employment and a valued role in society and the loss of personal dignity. Laurel House members have given repeated testimony that without the supports of this program they would find it difficult to live outside of institutions.

A unique and important feature of Laurel House is the way in which a variety of scarce yet vital resources and services are integrated and coordinated within one organizational structure. For the people who need these resources and services, this means “one-stop” shopping to access employment, education, housing and case management support. In addition to the Supported Education Program, which has helped more than 150 members receive a post-secondary school education, Laurel House operates: several supported employment programs, resulting in paid employment in the community for 110 people a year; safe and affordable housing for 69; and a clubhouse program where 375 members a year receive essential supportive services and, in return, volunteer their own time and services to help in the running of all these programs.

Appendix 2 – cont.

**Laurel House, INC.**  
**Laurel House, INC.**  
 Balance Sheets as of June 30,

**Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30,**

|   | 2004           |              |              | 2003         |
|---|----------------|--------------|--------------|--------------|
|   | Operating Fund | Plant Fund   | Total        | Total        |
| <b>ASSETS:</b>  |                |              |              |              |
| Cash and cash equivalents   | \$ 32,626      | \$ 93        | \$ 32,719    | \$ 22,041    |
| Revenues and Other Support:<br>Other receivables  | 25,957         | --           | 25,957       | 7,095        |
| Property and equipment, net of accumulated depreciation   | \$ 1,118,672   | \$ 1,068,932 | \$ 1,118,672 | \$ 1,113,161 |
| State grant   |                | 39,797       | 39,797       | 152,009      |
| Bond fund state grant   | 18,564         | 13,005       | 31,569       | 25,755       |
| Security deposits and other assets  | 437,662        | --           | 437,662      | 551,866      |
| Contributions   | 437,662        | --           | 437,662      | 551,866      |
| Thrift shop sales   | \$ 198,628     | \$ 1,082,030 | \$ 1,159,177 | \$ 1,140,914 |
| Rental income, food sales, interest and other   | 159,088        | --           | 159,088      | 60,488       |
| State grant   |                | 39,797       | 39,797       | 152,009      |
| Other support   | \$ 1,914,050   | \$ 39,797    | \$ 1,953,847 | \$ 2,056,147 |
| <b>LIABILITIES AND NET ASSETS:</b>  |                |              |              |              |
| Accounts payable and accrued expenses   | \$ 33,810      | \$ --        | \$ 33,810    | \$ 69,105    |
| Long term debt  | --             | 396,325      | 396,325      | 381,925      |
| Debt  | \$ 110,432     | \$ --        | \$ 110,432   | \$ 67,952    |
| Debt  | \$ 110,432     | \$ --        | \$ 110,432   | \$ 67,952    |
| Friends of Laurel House   | 205,967        | --           | 205,967      | 187,734      |
| Fringe benefits   | \$ 193,922     | \$ 396,325   | \$ 590,247   | \$ 518,810   |
| Direct operating expenses   | 55,552         | --           | 55,552       | 83,038       |
| Central administrative and support  | --             | 98,386       | 98,386       | 67,252       |
| Depreciation  | (121,562)      | 685,705      | 564,143      | 622,732      |
| Net assets, unrestricted  | (121,562)      | 685,705      | 564,143      | 622,732      |
| Total expenses  | \$ 1,914,050   | \$ 98,386    | \$ 2,012,436 | \$ 1,916,062 |
| Total liabilities and net assets  | \$ 77,147      | \$ 1,082,030 | \$ 1,159,177 | \$ 1,140,914 |
| Transfer to plant fund for capital acquisitions and debt principal repayments   | (27,098)       | 27,098       | --           | --           |
| For accompanying notes which are an integral part of the financial statements, please see a Laurel House representative |                |              |              |              |
| Change in net assets  | (27,098)       | (31,491)     | (58,589)     | 140,085      |
| Net assets, beginning of year   | (94,464)       | 717,196      | 622,732      | 482,647      |
| Net assets end of year  | \$ (121,562)   | \$ 685,705   | \$ 564,143   | \$ 622,732   |

For accompanying notes which are an integral part of the financial statements, please see a Laurel House representative

Most importantly, Laurel House's programs and services are delivered within a supportive community which values the primary relationships that form between people who work together on a common mission.