

**A SPECIAL STUDY AND REPORT ON THE
FUNDRAISING POTENTIAL OF THE
MT. LEBANON SCHOOL DISTRICT
MT. LEBANON, PENNSYLVANIA**

AUGUST 2012

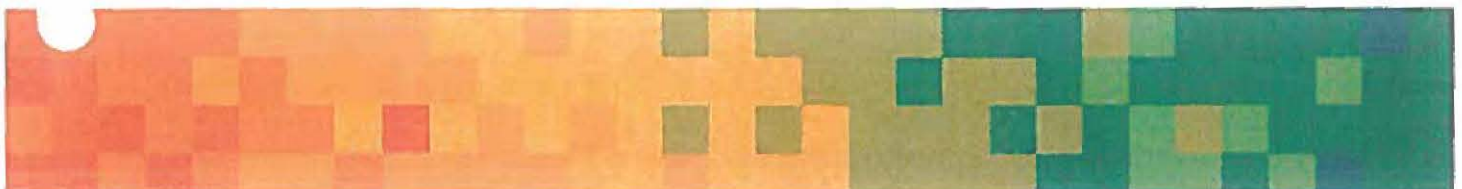




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Purpose and Method of the Study

This planning study was conducted by Pursuant Ketchum to assess the feasibility of a \$15 million capital fundraising campaign on behalf of the Mt. Lebanon School District, and to develop a plan for such a campaign. The funds secured during this campaign would be directed toward facilities associated with the new high school expansion and an endowment for educational programs. These needs are detailed in the School District's Case for Support around which this study was conducted and which is included as *Appendix A* of this report.

To implement the study, Pursuant Ketchum Vice President Rand E Chase, CFRE, and Executive Counsel Elliott S. Oshry, CFRE conducted 27 confidential interviews during May and June 2012. Study participants were selected by the School District as individuals whose participation and insight would be critical to the success of the proposed campaign.

The statistical data includes responses from study participants segmented into several categories, (e.g., School Board Members, Alumni/ae, Parents, Suggested Leaders, Potential Top 10 Donors, and Potential Next Tier Donors). Some respondents may fall into multiple categories; therefore, responses that have been charted graphically can be reconciled vertically but not horizontally.

The personal interview format was designed to elicit advice, impressions, opinions, and information relating to the Mt. Lebanon School District, the urgency and desirability of the projects and programs to be funded by philanthropy, the viability of a capital campaign, the availability of leaders and volunteers who will be needed, and the availability of gifts that will be sought. To ensure confidentiality, the interviewers' notes are not included in this report, but remain in Pursuant Ketchum's files.

In preparation for interviews, respondents were asked to review a preliminary draft of the Case for Support. Persons interviewed were also asked to respond to a Chart of Standards (*Appendix B*), which reflects the approximate size and number of gifts required to raise \$15 million. In addition, study participants were asked to suggest possible sources for the top gifts on the Chart of Standards and to recommend those they believe are best qualified to successfully lead the proposed campaign. Those suggestions are summarized in a separate confidential memorandum.

This study is designed to position the School District for philanthropic success, now and in the longer term. A high performing integrated development model features a well-balanced mix of fundraising strategies and techniques and will pay meaningful dividends as they become part of the School District's culture.



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It is the opinion of Pursuant Ketchum that this planning study achieved its objective of obtaining facts and opinions upon which to base a philanthropic strategy, beginning with a capital campaign. This report includes a summary of observations and recommendations resulting from the confidential interviews, as well as specific recommendations for moving forward. Thoughtful consideration should be given to the feedback, advice, and opinions of those who were interviewed.



Summary of the Observations

Community Perceptions of the Mt. Lebanon School District

The most successful fundraising programs are presented on the basis of urgent needs that, if met, will provide significant returns to the community. In order to successfully complete a major capital fundraising campaign, the School District must enjoy the confidence and respect of the community.

More than seventy (70) percent of those interviewed have a positive or very positive opinion of the Mt. Lebanon School District. Many commented that the Mt. Lebanon community is selected as a place to raise a family due largely to the reputation of the education afforded to its residents. Teachers, administrators and School Board members are well-respected professionals and their accomplishments are appreciated by the community.

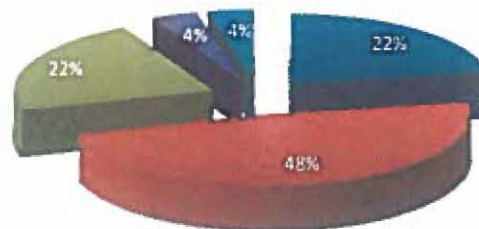
The distinction between the School District and the School Board was repeatedly referenced and should be noted. The School Board is seen as a political body comprised of individuals who from time to time will have opinions or positions that are unpopular with some in the community. The School District is perceived as the iconic institution that has delivered exceptional learning experiences to the community throughout its history.

Public Image of the Mt. Lebanon School District

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Excellent	6	3	2	2	3	1
Good	13	9	6	6	3	0
Average	6	3	3	1	3	0
Poor	1	1	1	0	1	0
Unaware	1	0	0	0	0	0

This chart is a summary of total responses

■ Excellent ■ Good ■ Average ■ Poor ■ Unaware





The Project

The need for the new high school is clearly understood by interview participants. The project has been frequently and openly discussed for six years, and voted on and passed by the School Board in 2011.

As with any major community endeavor there are some who disagree with the project. According to those who were interviewed in this study, the negative voices are "few and predictable."

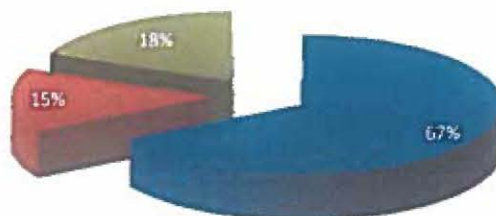
Seventy-eight (78) percent of those interviewed rate the high school project as a high or reasonably high personal priority that would stimulate their support.

Understanding of the Need

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Understands	18	9	8	4	5	1
Does Not Understand	4	4	2	1	3	0
Accepts As Stated	5	3	2	4	2	0

This chart is a summary of total responses

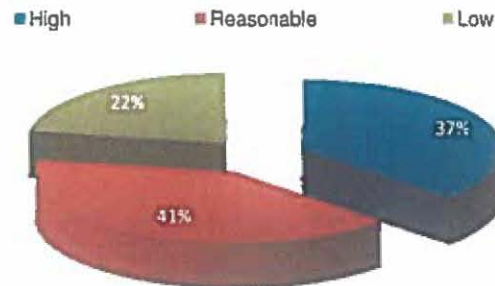
■ Understands ■ Does Not Understand ■ Accepts As Stated



Appraisal of the Project (Priority Rating)

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
High	10	7	5	7	4	0
Reasonable	11	6	4	1	2	0
Low	6	3	3	1	4	1

This chart is a summary of total responses



The Plan

Study Participants were asked for their opinion of the plan to create a new state of the art high school, and to endow signature academic and/or extracurricular programs that are in jeopardy as a result of state budget cuts. In order for a major fund raising campaign to succeed, the plan must be seen by those called upon for support as compelling, practical, and appropriate. The study also sought to differentiate a first-hand understanding of the plan as compared with a more passive acceptance based on the opinions of others.

Study participants clearly understand the need for increased investment in the school district, and reveal relatively strong support for the plan to meet that need through a voluntary philanthropic campaign.

The plan to raise philanthropic support for capital and endowment is favored by sixty-seven (67) percent of study participants, and seventy-four (74) percent feel that a volunteer led fundraising campaign is the best available mechanism to accomplish that task. Five (5) participants (nineteen (19) percent of the sample), including four who were suggested as leadership candidates, do not believe a campaign is appropriate. They share the opinion of others that a project such as this should be funded by the entire community through a tax.



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Importantly, a majority of study participants believe a campaign will be received positively by those invited to financially participate if the message is delivered by the right team.

No one who was interviewed indicated that the timing of the proposed campaign is an obstacle, and eighty-one (81) percent advocate proceeding with the campaign, taking advantage of the excitement and visual effect of the current construction as a visual and "real time" campaign brochure.

Utmost on participants mind is that a green light to move ahead must be accompanied by a more clear and urgent statement of the Case for endowment and/or capital. Some confusion still exists regarding the use of contributed dollars to pay down debt since funding for the building is in place and construction is underway. Some study participants are interested only in capital and others are interested only in endowment. Study participants applaud what they see to be a creative approach that blends voluntary support with income from tax.

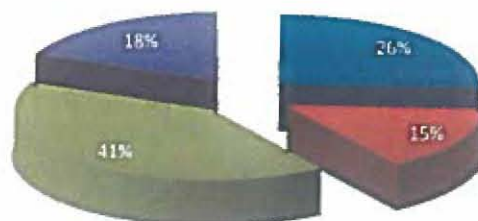
In addition to this campaign, there appears to be widespread support for formalizing the MLSD alumni program and annual giving initiative. A proactive and innovative approach to ensuring that educational excellence continues in the District receives strong endorsement.

Opinion of the Plan to Meet the Need

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Right Plan	7	4	5	2	1	0
Wrong Plan	4	3	2	1	4	1
Accepts Plan	11	7	4	6	3	0
Do Not Know	5	2	1	0	2	0

This chart is a summary of total responses

■ Right Plan ■ Wrong Plan ■ Accepts Plan ■ Do Not Know





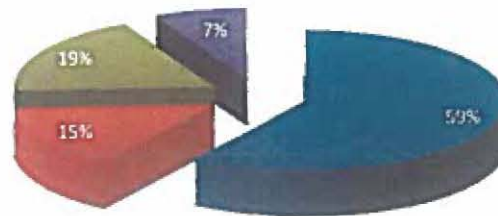
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Is a Campaign Appropriate?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	16	11	7	8	4	0
Perhaps	4	2	2	0	1	0
No	5	2	3	1	4	1
Do Not Know	2	1	0	0	1	0

This chart is a summary of total responses

■ Yes ■ Perhaps ■ No ■ Do Not Know

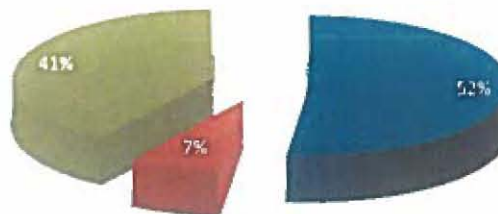


Receptivity to a Capital Campaign

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Receptive	14	10	7	7	4	0
Unreceptive	2	1	1	0	2	1
Do Not Know	11	5	4	2	4	0

This chart is a summary of total responses

■ Receptive ■ Unreceptive ■ Do Not Know



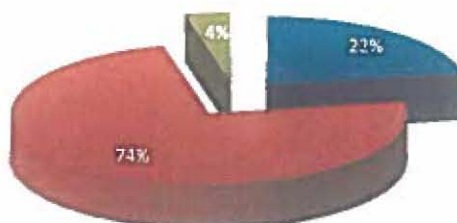


Proposed Timing of the Campaign

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Good	6	4	2	2	1	0
Good as Any	20	12	10	7	8	0
No Response	1	0	0	0	1	1

This chart is a summary of total responses

■ Good ■ Good As Any ■ No Response

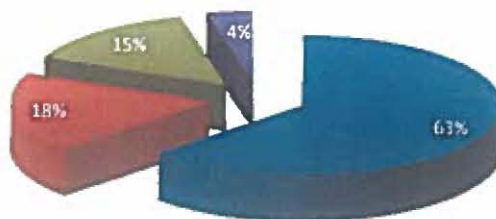


Recommendation to Proceed

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	17	11	8	8	4	0
Yes, with Conditions	5	3	2	0	3	0
No	4	2	2	1	3	1
Do Not Know	1	0	0	0	0	0

This chart is a summary of total responses

■ Yes ■ Yes, with Conditions ■ No ■ Do Not Know





Goal Attainability

An important prerequisite for success in any capital campaign is setting a goal that is considered challenging, but attainable, by those who will be asked to provide leadership and/or to make pacesetting gifts. Experience has shown that while top donors and leaders will support a goal that is ambitious, they may provide only token support for a goal that appears to be unrealistic. Volunteers and donors want and need to be part of a winning effort. Study participants, therefore, were asked if they believe a goal of \$15 million is realistic.

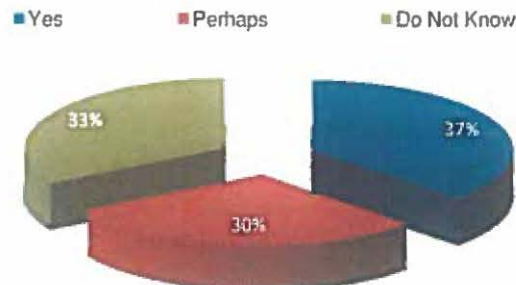
Opinions on the size of the goal are mixed: Sixty-seven (67) percent believe that a \$15 million goal is attainable or could be attainable under specific circumstances: clarity regarding the need for philanthropy, access to 7-figure lead gifts, an investment of time and resources to create a community-wide culture of philanthropy in support of education. Approximately one-third of the sample is unsure about the goal or feels unqualified to respond. Among those interviewees with nonprofit fundraising experience there is a higher degree of confidence that the goal is within reach, yet even those most confident were unable to identify lead-gift sources. No first-hand evidence of those gifts was uncovered during this analysis.

Respondents noted that the School District lacks an established culture of philanthropy and the corresponding philanthropic relationships that are built only through a focused effort over time.

Is the Goal Attainable?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	10	6	3	4	4	0
Perhaps	8	5	6	2	2	0
Do Not Know	9	5	3	3	4	1

This chart is a summary of total responses





Top Tier Gift Potential

The success of a capital campaign is dependent on the ability of its leadership to secure pacesetting investments consistent with the campaign's objectives.

A statistical model, or Chart of Standards, that reflects the number and size of gifts required in a campaign with an objective of this magnitude has been developed for the purpose of this study. The Chart of Standards is one of the fundamental tools used to guide a capital campaign to a successful conclusion. Although there may be some flexibility in standards as a campaign unfolds, it has been Pursuant Ketchum's experience that the range of giving in successful efforts generally approximates or exceeds such a model.

Only thirty (30) percent of study participants are confident that a \$3 million lead gift is attainable. That number increases only slightly to thirty-three (33) percent regarding the top 10 gifts. More than half of the study sample did not feel qualified to respond to these areas of inquiry.

When asked to identify possible sources of the top 10 gifts, thirty (30) names were suggested. Six (6) of the thirty (30) were actually interviewed. From those actually interviewed, the largest gift identified is \$50,000.

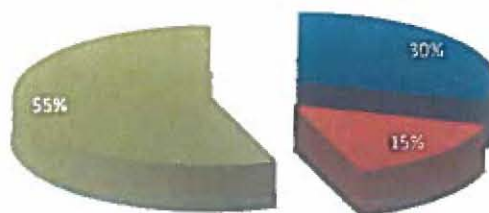
Fifty-five (55) percent of study participants could not respond to the possibility of generating the next tier of gifts. However, forty-five (45) percent felt that this level of giving is or could be available.

Is the Top Gift Available?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	8	3	4	3	2	0
Perhaps	4	3	1	1	2	0
Do Not Know	15	10	7	5	6	1

This chart is a summary of total responses

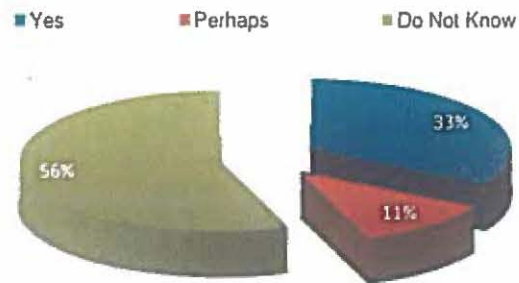
■ Yes ■ Perhaps ■ Do Not Know



Are the Remaining Top 10 Gifts Available?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	9	4	4	3	2	0
Perhaps	3	2	1	1	2	0
Do Not Know	15	10	7	5	6	1

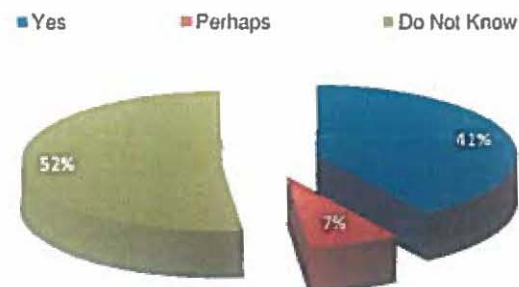
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Are the Next Tier Gifts Available?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	11	6	5	5	3	0
Perhaps	2	1	1	0	1	0
Do Not Know	14	9	6	4	6	1

This chart is a summary of total responses





Personal Financial and Volunteer Participation

Attracting top volunteer leadership is essential in all campaigns, and is absolutely essential as the Mt. Lebanon School Board reaches into the community for fund raising leadership.

More than any other factor, the success of the proposed campaign and the availability of pacesetting investments are dependent upon the enlistment, dedication, and effort of volunteer leadership whose influence and affluence — personal and corporate — infuses the campaign with the level of confidence and credibility required to succeed. Effective leadership helps bring a sense of urgency to the project and attracts the attention of volunteers and prospective top donors. A campaign's volunteer organization must be as strong as possible, beginning with influential individuals at the top who are willing to make their own appropriate investments and secure proportionate investments from others.

When presented with the characteristics and qualifications for campaign leadership (influence, affluence, visibility) study participants suggested the names of thirty-seven (37) individuals, with eleven (11) receiving multiple mentions. Of those thirty-seven (37), twelve (12) were actually interviewed; nine (9) are willing to consider a role within the campaign organization and seven (7) are willing to consider a leadership position.

Eighty-five (85) percent of the study sample indicated a willingness to serve in a volunteer capacity in a philanthropic campaign for the School District, and eighty-nine (89) percent responded affirmatively regarding a personal gift to the campaign. These are extremely encouraging responses.

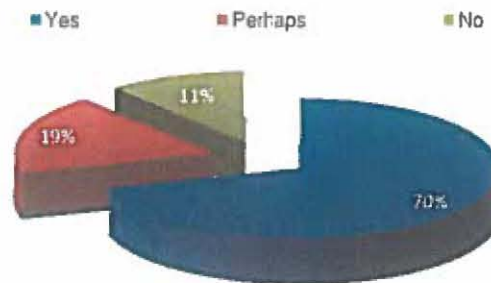
Reasons cited most often by those who declined included lack of fund raising experience, lack of time, and engagement with other fund raising efforts.



Willing to Consider a Personal Gift?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	19	10	9	7	6	0
Perhaps	5	5	3	2	2	0
No	3	1	0	0	2	1

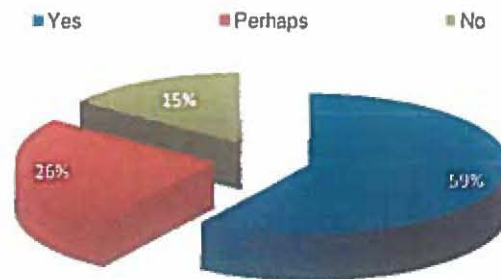
This chart is a summary of *applicable* responses



Willing to Volunteer?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	16	11	6	7	5	0
Perhaps	7	4	4	1	3	0
No	4	1	2	1	2	1

This chart is a summary of *applicable* responses

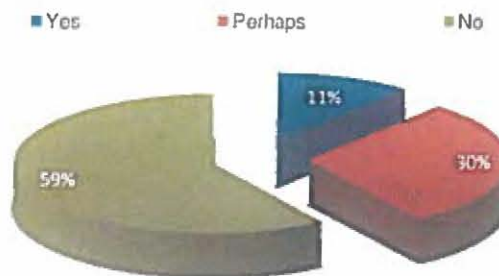




Willing to Accept a Leadership Role?

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Yes	3	3	2	3	2	0
Perhaps	8	5	5	2	4	0
No	16	8	5	4	4	1

This chart is a summary of *applicable* responses



Fundraising Strength of the School Board

In most campaigns, it is the governing body of the institution that has studied, reviewed, planned, and ultimately authorized the fundraising effort. Such bodies must, therefore, take ownership of both the project and the campaign to finance the project. To assume that the donor constituency will embrace the campaign without the full financial and voluntary participation of the Board is a doubtful proposition. Yet unlike other self-perpetuating not-for-profit boards, School Board members are not elected for their fund raising capacity, wealth or philanthropic inclination.

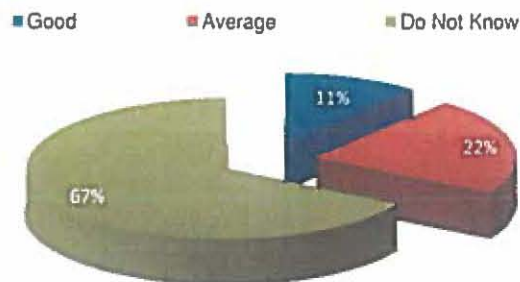
During each interview, respondents were asked for their assessments regarding the ability of the School Board to effectively function in a fundraising role.

The fundraising strength of the School Board is seen as relatively untested and/or unknown. Because the School Board was not elected for their fund raising capacity or personal wealth, and because the Board has not been asked to serve in such a capacity before, study participants believe it is likely that additional volunteer leadership will be needed to assist the Board in moving the campaign forward.

Fundraising Strength of the Board

	Total Interviews (27)	Parent (16)	Alumni (12)	Board Member (9)	Suggested as Leader (11)	Top 10 (1)
Good	3	3	2	1	1	0
Average	6	4	3	2	2	0
Do Not Know	18	9	7	6	7	1

This chart is a summary of total responses





Strengths and Challenges

Strengths
A successful fund raising campaign is seen as an essential component of any effort to create a culture of philanthropy in support of the School District.
The School District enjoys an extremely positive reputation throughout the community.
There is general acceptance that the caliber of education has a positive impact on the economy and on local real estate values.
Few question the need for a new high school.
There is adequate wealth in the community to support a campaign of this magnitude.
Endowment and capital are both seen as valuable targets for philanthropy.
Most study participants feel that the community will be receptive to a campaign for the School District.
There is a strong feeling that the local economy can support the proposed campaign.
Many people are willing to volunteer their time to work on the campaign.

Challenges
A successful capital and/or endowment campaign will require a considerable investment of time and must be an institutional priority if it is to succeed.
There is some confusion regarding the roles of the Mt. Lebanon Foundation for Education (MLFE) and the Mt. Lebanon Community Endowment (MLCE) as they relate to this campaign.
A significant number of prospective donors and/or candidates for leadership in this campaign were unavailable to be interviewed.
Many of those who expressed support for the project and who praised the school district, indicated they are not prepared to provide significant financial support to this campaign relative to the Chart of Standards.
There is no consensus regarding endowment or capital as the priority need or appropriate focus of the campaign.
The study did not identify a campaign chair.
The largest gift identified with certainty during the study is \$50,000.
The School Board's Fundraising Strength is untested.

Recommendations

1. Proceed with Campaign Planning and Set a Goal of \$6 Million for a combined Capital and Endowment Campaign

While a \$15 million campaign seems to be beyond the reach of the Mt. Lebanon School District at this time, a major philanthropic initiative for both capital and endowment will be well received by a segment of the donor population, and a goal of \$6 million is recommended as challenging but attainable.

A successful \$6 million campaign will begin to build a culture of philanthropy in support of the School District, and will provide staff and volunteers with the "field experience" necessary to enhance that culture of philanthropy in the future. This campaign will allow time to educate, cultivate, and motivate additional funding sources and volunteer resources essential to raise funds needed for future endowment growth and special facility needs.

2. Address the Internal Structure that can Support Philanthropic Initiatives

There is an important role for the Mt. Lebanon Foundation for Education and for the Mt. Lebanon Community Endowment as a culture of philanthropic support for the School District is developed. But ambiguity and duplication of mission must be addressed at the outset of this campaign. It seems appropriate that the staff and volunteer support of the campaign should be built within the MLFE (see staffing recommendations below) but it is not so clear where campaign proceeds – especially endowments – should be managed. A small committee or task force should be appointed to address these issues. Regardless of the outcome, both organizations must be seen as fully supportive of the campaign and be positioned for a long-term role in enhancing philanthropic support for the School District.

3. Revise the Case for Support

A new and expanded case for philanthropic support of the School District should be developed from the preliminary case used during the study. Based on a \$6 million goal – perhaps \$3 million for endowment and \$3 million for capital – a new rationale is needed for how the money will be spent.

- What will the School District do with income from \$3 million in endowment (\$150,000 per year) that it cannot do without such an income stream?
- How will \$3 million in capital impact construction, debt or cash flow?
- Why should philanthropic support of the School District be a priority goal of the community going forward?



4. Enlist a Campaign Steering Committee

A high-level campaign Steering Committee is needed as quickly as it can be enlisted. Built from within the MLFE, or as a sub-set of that Board, the steering committee should be comprised of the Superintendent, school board members, parents, alumni, and community leaders, preferably all or most of whom have had some experience in voluntary fund raising campaigns. This committee will assist in the early stages of campaign planning and preparation, including identification and recruitment of a campaign chair or co-chairs. Timely completion of these activities will be critical to positioning the campaign for success from the very beginning. The responsibilities of the Campaign Steering Committee include:

- Focus on implementation of the recommendations contained in this report.
- Identify and work towards the enlistment of campaign chairs, who may or may not come from within the Steering Committee, but who are not ready today to accept this responsibility.
- Review and approve the revised and expanded Case Statement.
- Review and approve the campaign plan: timetable, structure and budget.
- Participate in prospect identification and prospect review activities as appropriate.
- Guide the transition from Steering Committee oversight, to the leadership of a hands-on campaign cabinet (see below).

Steering Committee meetings should be held regularly, no less than every two weeks at the beginning. The MLSD School Board should be regularly informed of Steering Committee activities, as well as pre-campaign organization, planning, preparation, and implementation. The Steering Committee will serve as the campaign leadership team until enlistment and orientation of a Campaign Cabinet is completed.

Once a campaign chair or co-chairs are enlisted, he or she will begin recruitment of chairs for each of the campaign's soliciting divisions and committees, the chairs of each will form a Campaign Cabinet.

The Steering Committee dissolves after appointment of the Cabinet, although some Steering Committee members will most likely be asked to serve on the Cabinet as appropriate.

The duties of the Campaign Cabinet include, but are not restricted to, the following:

- Provide overall executive guidance to the campaign.
- Establish policies and strategies.
- Evaluate campaign progress and ensure a disciplined approach to implementing the campaign plan.
- Review and make recommendations on unusual gifts or terms of payment.
- Review and modify as needed the campaign plan, timetable, policies, procedures, and budget.
- Participate in prospect review.

5. Formalize Endowment Policy and Practices

The Study clearly validated support for the endowment component of the campaign. In order to attract and accept significant investments, however, policies must be formalized and consistently applied. The School District's current endowment policies should be updated and expanded to address issues related to the campaign:

- Crediting value vs. recognition value for gifts other than cash.
- Age requirements for acceptance of deferred gifts.
- Investment and spending policies.
- Roles and responsibilities, if any, for the MLFE and MLCE.

6. Plan and Initiate a Targeted Awareness-Building and Cultivation Program

In concert with creating communications materials that explain the strategic vision, the School District must heighten the community's awareness of the importance of philanthropy, now and in the future. An integrated and multifaceted Awareness and Cultivation Program should be planned and implemented as an integral part of pre-campaign activities and procedures. Specifically, the District should:

- Implement a series of meetings with segments of the District's internal "family" - the PTA, School administrators, and faculty and staff – and selected top prospective leaders and donors. The objectives of these meetings are to generate enthusiasm and create common ground, improve internal as well as external communication, and begin building early support and momentum for the campaign.



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- Plan and implement a series of small group meetings with a broader base of specifically identified top leadership candidates and prospective donors, with the dual objectives of 1) educating, informing, and listening to questions and concerns, and 2) engaging prospective donors in early campaign planning.

7. Share Results of the Planning Study

A process should be developed for sharing the results of the planning study with those personally interviewed, as well as with potential top donors and volunteer leaders who were not interviewed. This procedure will augment the Awareness and Cultivation Program. Particular emphasis should be placed on continuing contact with those suggested as volunteer leaders and top prospective donors. Sharing the results of the study provides an excellent opportunity to begin one-on-one cultivation with the individuals who can have the greatest impact on the results of the campaign.

In some strategic instances, it would be appropriate for Superintendent Steinhauer (accompanied by an appropriate Board member or volunteer leader) to schedule opportunities to meet individually with selected participants in the planning study, as well as top leadership and donor candidates who are revealed in the study. This will allow an avenue to share the study's results and to obtain buy-in of the needs and the plan to address those needs.

8. Establish a Planned Giving Program (Legacy Society)

Concurrent with the campaign, a Legacy Society should be established to encourage alumni, friends, and members of the community to leave future gifts to support philanthropically funded facilities and endowment. Most nonprofit institutions and organizations have obtained their largest assets through bequests and planned gifts.

A Legacy Society is a gentle first step in establishing a comprehensive Planned Giving Program. Even before the School District is in a position to market complex types of planned gifts, simple bequests can begin to impact endowment.

9. Add Necessary Staffing Resources

Depending on where the campaign is "housed" (i.e. in the School District, or in the MLFE) professional and clerical staff must be dedicated to this project. One full-time campaign manager, adequate access to a high level administrative assistant, and the judicious use of campaign counsel should be recruited and organized in support of the campaign. A draft campaign expense budget is appended to this report (*Appendix D*).



10. Develop and Adopt an Aggressive 36-Month Timetable

- ***Phase I - Organizational and Pre-Campaign Activity (September 2012 through February 2013)***
 - Share the results of the planning study with those who participated and those who were invited but declined
 - Develop plan to engage the Mt. Lebanon Foundation for Education and the Mt. Lebanon Community Endowment in appropriate campaign roles
 - Create a detailed campaign plan and day-by-day calendar
 - Draft campaign expense budget
 - Refine and expand the Case for Support
 - Develop a pre-campaign briefing schedule; enlist hosts/hostesses
 - Enlist the Campaign Steering Committee
 - Begin prospect identification and review as well as leadership identification
 - Add professional staff and clerical staff dedicated to the campaign
 - Begin to develop campaign marketing materials
 - Enlist a campaign chair or co-chairs
 - Begin formation of a campaign cabinet
 - Begin creation of a planned giving program
- ***Phase II - Stakeholder Phase (March 2013 through December 2013)***
 - Enlist remaining campaign leadership team
 - Continue prospect research and review
 - Conduct volunteer orientation and training
 - Conduct the Leadership Phase of the campaign, soliciting Board members and the campaign leadership team
 - Organize volunteers for the Principal Gifts Phase of the campaign
- ***Phase III - Public Phase (January 2014 – March 2015)***
 - Campaign kickoff for all constituencies
 - Intensive solicitation, all prospects



- *Phase IV – Post-Campaign Activities*
 - Implement pledge collections procedures
 - Conduct volunteer recognition efforts
 - Develop and implement a donor stewardship plan for all donors to the campaign



Acknowledgments

Pursuant Ketchum wishes to express its appreciation to Mt. Lebanon School District for the privilege of conducting this Planning Study to assess its potential for conducting an endowment campaign.

We are especially grateful to the respondents who participated in this process and gave so thoughtfully of their time and opinions, helping to ensure an accurate report that is truly reflective of MLSD's fundraising future. We particularly thank Superintendant Dr. Timothy Steinhauer and Cissy Bowman, Director of Communications for their outstanding preparation in information gathering.

We hope that our services have been helpful to everyone involved in the Mt. Lebanon School District. We look forward to being of assistance in the coming months and to working with your committed staff as you seek to increase your level of philanthropic support.

Respectfully submitted,

PURSUANT KETCHUM

Elliott S. Oshry, CFRE
Executive Counsel

Rand E Chase, CFRE
Vice President



Appendices

APPENDIX A – Case Statement

APPENDIX B – Tested Chart of Standards

APPENDIX C – Recommended Chart of Standards

APPENDIX D – Campaign Expense Budget



APPENDIX A – Case Statement

Mt. Lebanon School District Case Statement

The Case for Philanthropic Support of Mt. Lebanon High School

Mt. Lebanon School District Centennial Campaign: Continuing the Tradition of Excellence in Education

Overview

When Mt. Lebanon was founded in 1912, a priority for the town was educating its children. The foundation for a strong, community supported school system was put in place. As the reputation of the schools grew, the community prospered. Since that time, generations of children have reaped the benefits of a Mt. Lebanon education, and the resulting tradition of academic excellence is a legacy that has spanned 100 years. Mt. Lebanon continues to be a very desirable place to live, attracting new families in large part because of the decisions made early in its history to invest in education.

The High School

The center piece of the school district, and the community's greatest asset, is the high school. Also celebrating its centennial, the high school is a source of pride for the community, students, staff, and alumni. The high school's reputation as a leader in secondary education was built on a rigorous college preparatory curriculum, a nationally recognized fine and performing arts program, and a highly successful athletic program that emphasizes the scholar athlete.

Ranked second among high schools in the region and among the top five in the state, Mt. Lebanon High School provides students the opportunities of a private school campus in a public school setting. A Mt. Lebanon education prepares well-rounded students who make a positive difference in the world. Graduates have gone on to conduct important scientific and medical research. They are innovators in the technology industry, nationally recognized in the performing arts, and are leaders in business and government. They have made major contributions to humanitarian efforts that significantly improve the lives of others.

Our Need

Graduating students prepared for college and beyond requires an environment that is conducive to success. Since 1928, the High School has undergone five renovations and additions to improve the school as our educational programs changed. Praised as "one of the most modern educational plants in the state" in 1930, a 2001 facility assessment found that, even with continued good maintenance, many of its systems are at the end of their useful life. Further study indicated that:



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- The square footage of the High School is excessive for the current and projected student population
- The buildings contain asbestos
- The exterior skin is failing
- The roof system is failing
- Infrastructure systems such as electricity, HVAC, boilers and windows are all well past their life expectancy and are in need of total replacement
- The facility is not adequately accessible to persons with disabilities
- Classroom size is too small to be used for learning activities beyond direct instruction
- Resource areas such as the library do not serve today's needs
- Common areas are needed to provide for learning activities outside of the classroom
- Fine arts teaching areas lack adequate space and natural light
- Public fine arts spaces are in dire need of renovation and ADA upgrades
- The building layout is complex and inefficient; it has evolved based on additions in the 30's, 50's and 70's, with each addition being a reaction to the problems of the time and without a comprehensive plan

As a freshman, you enter these walls as a curious teenager and come out as a young adult ready for the world. Our building structure needs to catch up with what is going on inside of it as well as outside – which is why today is such an exciting day! It doesn't matter where you fall in the scheme of things. Whether like me, you are excited to be the first of your family to attend Mt. Lebanon High School or are the next in a string of many Mt. Lebanon graduates, today's ground breaking is like the planting of a seed. Welcome to the next chapter, where something that is already the best is going to grow into something even better!

Elizabetta Croce-Class of 2015

High School Groundbreaking Ceremony Speech

Our Plan

In 2006, the School Board and administration began the planning process for a new high school. After six years of community discussions on multiple building options, the School Board voted to move forward with a project that includes part new construction and some like-new renovation. Since the last renovation in 1972, there have been many changes to the way education is delivered, including the extensive use of technology in the classroom and the need for flexible space for student and faculty collaboration. This plan addresses those needs. Ground breaking took place in January 2012 and a completion date is expected for the spring of 2015.

The plans for the high school include a full renovation of the 1931 main building along Cochran Road. The facility will be right-sized to accommodate our student population





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with increased classroom and study spaces to support 21st century learning practices.

The existing competition gym will be renovated into a new Center Court with cafeteria, library, writing lab, math lab and student activities office. All academic areas will intersect at this space, creating a vibrant school center.

New construction will connect the Center Court to a state-of-the-art science wing along Horsman Drive. Current and future technology needs will be addressed with a new fiber-optic infrastructure throughout the building to support digital learning. The auditorium and fine arts theater will be completely renovated. A glass and metal enclosed bridge over Horsman Drive will connect Center Court with a new athletic field house that includes a competition gym, two auxiliary gyms, locker rooms for men and women's sports, and an eight-lane pool.

The high school is a major community asset: Sixty-five (65) percent of after-hours use of the school is by community groups. The design team gave great consideration to create a plan that improves community access to key areas of the building

The total cost of the project is estimated at \$109,690,125. A bond issued in 2009 will cover approximately seventy (70) percent of this cost, and an additional bond will be needed as the project moves forward.

Opportunity

The School District must look to the future and plan for the financial resources necessary to support a strong educational program for the 21st Century that our students deserve and our community expects. A private-sector voluntary capital campaign to raise \$15 million is being considered by the School Board to help reduce the amount required for the second bond to fund the high school project and to establish an endowment to sustain and grow academic and fine arts programs throughout the District. This model is often used by private schools and because of current state K-12 funding decreases, likely will become the model for public schools in the future.

Donors' philanthropic contributions may reflect their personal interest in the new high school, their desire to invest in the future of the community, their sense of legacy in giving back to an institution that has contributed to their success, and their capacity to give.

Endowment

As state funding for public education continues to decline and mandated costs continue to rise, educational programs that are essential to maintain our reputation of educating well-rounded students are at risk. The proposed campaign will create a fund specifically designed to protect and enhance the academic, fine arts, and athletic programs that define the Mt. Lebanon education.





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For example, if \$15 million is raised through this campaign and \$10 million is used for capital construction, debt service will be reduced by \$17.7 million over the life of the bond, freeing revenue of \$7,700,000 that would have been lost on interest. By adding this to the \$5 million raised from the capital campaign for an educational endowment, valued programs will be safeguarded for the future.

Alumni, parents, local and regional businesses and foundations, and the entire Mt. Lebanon community will be invited by the School Board to participate in this campaign.



APPENDIX B – Tested Chart of Standards

MT. LEBANON SCHOOL DISTRICT
MT. LEBANON, PENNSYLVANIA

CHART OF STANDARDS

OBJECTIVE: \$15,000,000

GUIDELINES

Top Investment	15-20% of Objective
Top 10 Investments	50-55% of Objective
Next 45-50 Investments	35-40% of Objective

No.	Amount	Total	Cumulative Total	% of Objective
1	\$3,000,000	\$3,000,000	\$3,000,000	20.0%
2	\$1,000,000	\$2,000,000	\$5,000,000	
3	\$500,000	\$1,500,000	\$6,500,000	
4	\$300,000	\$1,200,000	\$7,700,000	51.0%
30	\$100,000	\$3,000,000	\$10,700,000	
40	\$50,000	\$2,000,000	\$12,700,000	
50	\$25,000	\$1,250,000	\$13,950,000	
60	\$15,000	\$900,000	\$14,850,000	99.0%
Many	Below \$10,000	\$150,000	\$15,000,000	100.0%

APPENDIX C – Recommended Chart of Standards

MT. LEBANON SCHOOL DISTRICT
MT. LEBANON, PENNSYLVANIA

CHART OF STANDARDS

OBJECTIVE: \$6,000,000

GUIDELINES

Top Investment	15-20% of Objective
Top 10 Investments	60-65% of Objective
Next 125-150 Investments	30-35% of Objective

No.	Amount	Total	Cumulative Total	% of Objective
1	\$1,000,000	\$1,000,000	\$1,000,000	16.6%
1	\$750,000	\$750,000	\$1,750,000	
2	\$500,000	\$1,000,000	\$2,750,000	
3	\$250,000	\$750,000	\$3,500,000	
3	\$150,000	\$450,000	\$3,950,000	65.8%
10	\$50,000	\$500,000	\$4,450,000	
25	\$25,000	\$625,000	\$5,075,000	
50	\$10,000	\$500,000	\$5,575,000	
75	\$5,000	\$375,000	\$5,950,000	99.1%
Many	Below \$5,000	\$50,000	\$6,000,000	100.0%

APPENDIX D – Campaign Expense Budget

**Mt. Lebanon School District
Campaign Expense Budget
D R A F T**

Expense	2012	2013	2014	2015
Campaign manager, salary and benefits		\$120,000	\$120,000	\$60,000
Administrative assistant	\$10,000	\$50,000	\$50,000	\$25,000
Collateral materials		\$60,000	\$60,000	\$15,000
Meetings and events	\$3,000	\$5,000	\$50,000	\$25,000
Fund Raising Consulting	\$25,000	\$100,000	\$50,000	
Prospect research	\$4,000	\$5,000		
Travel		\$10,000	\$10,000	
Postage				\$5,000
Recognition				\$10,000
	\$42,000	\$350,000	\$340,000	\$140,000
\$872,000 = 14% of \$6 million				

