March 16, 2012

Dear Crossett Fund Applicants:

I am writing to provide an update regarding the Crossett Fund granting process.

Financial Update

Currently the Crossett Endowment has a total of $2,389,025, with a balance of $68,539 in the operating fund. The Crossett grant awards are made from the operating fund.

The endowment is healthy and yielding quarterly deposits to the operating fund of about $29,000 each quarter. In the past, the operating balance ranged from around $100,000 to over $200,000 based on how many applications were received and approved each year. At the rate of $29,000 per quarter, in two more quarters without making any grants (by mid-summer 2012), the operating fund should reach about $126,000.

As you recall, we have held off on grant approvals since last October in order to allow the operating fund to build back up. Last year Crossett received significantly more applications and made more awards than usual due to the struggling economy. Crossett awarded over $250,000 in 21 grants over 13 months last year for a wide variety of important initiatives in Southeast Alaska.

Last fall we let prospective applicants know the financial situation and that grant-making would be suspended until at least around February 2012.

Community Meetings

John Neff MD, Tony Woodward MD, Aimee Bramble and I made the annual Crossett visit to Southeast in October as well, and in meetings in Sitka, Ketchikan and Juneau we asked the community for advice about how to proceed given the current limited funds in the operating account.

The Southeast Alaska community representatives with whom we met in October were understanding of the situation and expressed appreciation for the nature of the Crossett Fund over the years. The flexibility and responsiveness of the Fund, the ability to obtain grants quickly and to use the Crossett Funds as seed money and matching for other grant dollars, that applications have been accepted throughout the year, that the application process is simple and flexible, that Crossett has fostered collaboration rather than competition, that it has retained a broad definition of the purpose to improve the health and well-being of children and youth in Southeast Alaska and a broad scope of eligible projects—all are characteristics appreciated by the groups with whom we met.
Overall our Southeast Alaska community advisors would prefer that the Fund continue to operate as it has. Recognizing the situation, however, they thoughtfully contributed ideas for solutions moving ahead. Everyone expressed the desire to make this an opportunity for improvement and to take the most responsible advantage of it in order to achieve the best outcomes possible for Southeast Alaska children and communities going forward.

Revised Guidelines and Criteria

Based upon the suggestions and feedback from the community, we plan to begin grant making again this summer 2012, when the operating account based on current yield will reach over $100,000, and below, in bold, are the changes, additions and amendments to the Crossett Fund guidelines and award criteria.

Application and Award Criteria

The Crossett Fund accepts applications on a continuous basis. Please allow four to eight weeks for application evaluation. The fund does not support ongoing program operation, direct patient care, or conference attendance.

The maximum grant award is $20,000. Priority for awards is given to:

- Small, low cost projects with significant potential impact;
- Projects with matching fund commitments from other sources; and/or
- Projects involving collaboration across community programs.

Guidelines

Projects selected for funding will:

- Improve the health of infants, children, and adolescents living in southeast Alaska;
- Focus on prevention and demonstrate ways in which identified health needs are met;
- Maximize existing resources and programs;
- Promote multidisciplinary, collaborative efforts;
- Involve the widest, most effective reach— for instance, number of children served, geographic area, community partners, proven techniques (evidence-based);
- Seek the best outcome for dollars spent;
- Use Crossett funding as seed money and seek matching funds;
- Demonstrate potential for developing into self-sustaining efforts;

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Reuben E. Crossett
Endowed Alaskan Fund
Supporting Children's Health in Southeast Alaska

- Employ clear evaluation methods to determine results and help future projects develop and improve;
- Add to the knowledge base of information about how to improve the health of young people in Southeast Alaska.

Next Steps

For those applicants with pending applications since last fall, you of course have the option of amending your application with the above changes in mind. We will begin the next round of application reviews on or about July 1, 2012. Please contact me with any questions you have, and we are currently working on updating the website.

Thank you very much for your continuing interest in and support for the Reuben E. Crossett Fund. As always, we look forward to working with you and to a very successful upcoming year for all your initiatives.

Sincerely,

[Signature]

Suzanne Petersen Tanneberg

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