

Minutes of the ASNE Foundation Board of Directors Meeting
October 10, 2002 -- The Ritz-Carlton Hotel, Sarasota, Fla.

The ASNE Foundation Board of Directors met on the call of President Edward L. Seaton.

Directors Attending:

Edward L. Seaton, The Manhattan (Kan.) Mercury, president
Diane H. McFarlin, Sarasota (Fla.) Herald-Tribune, vice president
Peter K. Bhatia, The Oregonian, Portland
Robert H. Giles, The Nieman Foundation, Cambridge, Mass.
Tim J. McGuire, retired member
Howard A. Tyner, Tribune Co., Chicago

Others Attending:

Scott Bosley, ASNE executive director, ASNEF secretary and assistant treasurer
Bobbi Bowman, ASNE diversity director
Kevin M. Goldberg, Cohn and Marks, legal counsel
Diana Mitsu Klos, ASNE senior project director
Richard M. Schmidt Jr., Cohn and Marks, legal counsel

Directors Attending by Telephone:

Leonard Downie Jr., The Washington Post
Deborah Howell, Newhouse News Service, Washington, treasurer

Directors Not Attending:

Clark Hoyt, Knight Ridder, Washington
Robert W. Mong, The Dallas Morning News

The minutes of the previous meeting were approved.

Howell, reporting as treasurer, noted that the Foundation's working funds had crossed the \$3 million mark and that unrestricted funds had increased slightly to \$1.7 million. She noted that, beginning in May, all Foundation money market accounts and the Merrill Lynch S&P 500 Fund were liquidated and the funds rolled over to Morgan Stanley, as agreed by the board at its April meeting. By mid-September, using a dollar cost averaging approach, the Fund Solution account reached the agreed upon level of \$1.2 million. As of June 30, investments of \$750,000 had a market value of \$703,735. After discussion, the board agreed to stay the course on the investment plan.

Unrestricted contributions totaled \$97,968 in 2001-02, down from \$130,420 in 2000-01. Contributions from individuals held steady at slightly more than \$30,000, while corporate contributions declined.

The largest issue going forward is diversity funding to which the Foundation contributed \$15,115 from unrestricted funds through June 30. Knight Foundation has agreed ASNE could spend surplus money from the Institute for Journalism Excellence toward 2002-2003 diversity costs, but active fund-raising is essential to support these efforts in the next fiscal year. President Seaton noted that the Foundation could spend principal for a time to support diversity but that was not a sound long-term strategy. The Board concurred. The officers of ASNE agreed to take the lead in a Diversity Summit to explore ideas for modifying and strengthening our efforts going forward and subsequently to seek funding.

The board then discussed another funding issue: the International Journalism Exchange. Since the final Freedom Forum-funded program is this year's, currently under way, the Foundation has been working with the International Center for Journalists to find new funding. Though numerous proposals have been made, success has not been found. Seaton and Bosley listed a number of approaches that had been made and said they remained hopeful funding could yet be obtained for a program in 2003.

Bosley reported that McCormick Tribune Foundation had awarded a \$449,000 two-year grant to ASNEF for 24 low-cost regional seminars to help newspapers take advantage of research from the Readership Institute.

The board discussed solicitation efforts for 2002-03 and decided a general appeal would be made. Diversity funds would be sought separately after development of a new strategy.

Senior Project Director Diana Mitsu Klos reviewed the success in the second year of the ASNE High School Journalism Initiative, funded by the Knight Foundation. She reported on the success of the www.highschooljournalism.org Web site, which drew more than one million hits and 12,000 unique visitors in September. The project's five summer programs for high school teachers drew 200 teachers, most of whom gained graduate credit in addition to strong knowledge and new enthusiasm for their work as school newspaper advisors. The Initiative also awarded \$150,000 in grants for 33 newspaper-school partnerships, allowing some schools to re-start dormant publications and others to improve them with mentoring assistance from the newspaper.

Klos also reported that Cristal Williams, project director, had planned the initial regional readership training seminar and it would be held in November in White Plains, N.Y. A schedule of seminars is being built for 2003. Williams also supervised the past summer's successful Institute for Journalism Excellence, which placed 20 journalism academics in newsrooms, and the currently under way International Journalism Exchange, which has placed nine editors from foreign countries in newsrooms.

Bobbi Bowman, diversity director, reported that we mailed the Internship Guide to 2,280 students and colleges and significantly increased internship information on the ASNE Web site. She noted that Pam Moreland of the San Jose (Calif.) Mercury News will be the editor of the ASNE Reporter in New Orleans and that there were nine job fairs planned for 2002-03. She said that the Diversity

Committee was at work on a book focusing on retention issues to be distributed at the annual convention. The working title: "Keeping Your Best and Brightest."

The board then approved the following banking resolution:

Resolved that Morgan Stanley and United Bank are hereby designated as depositories for the funds of this Foundation and that said banks are hereby authorized and directed to pay checks and other orders for the payment of money drawn in the name of this foundation when signed by either Edward L. Seaton, president; Deborah Howell, treasurer; or J. Scott Bosley, secretary/assistant treasurer. And that said banks shall not be required to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds.

The meeting was adjourned.

J. Scott Bosley
Secretary and Assistant Treasurer