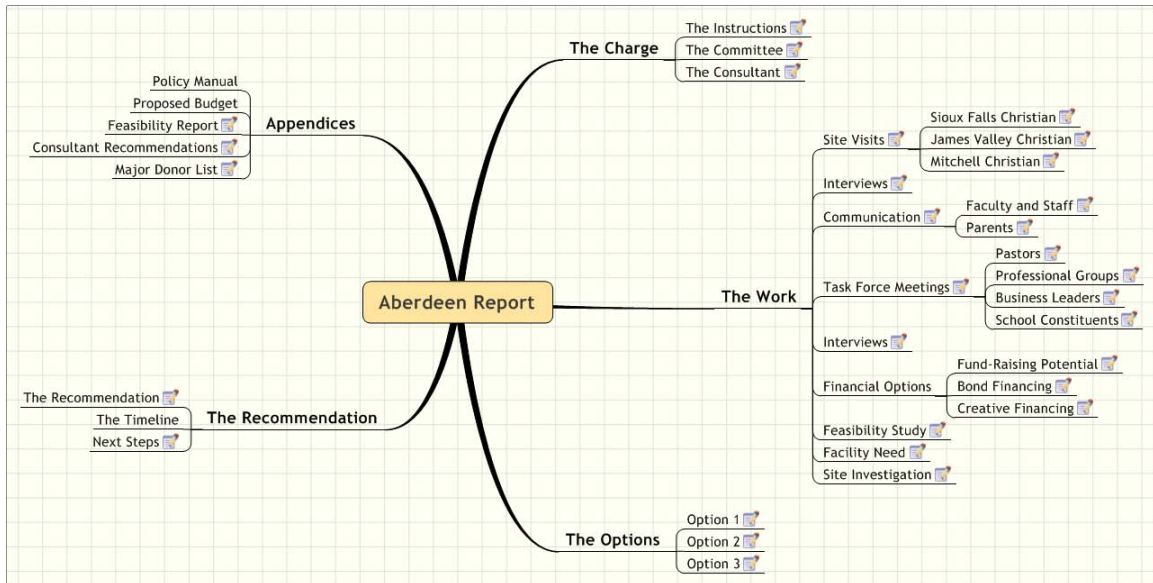


Aberdeen Report



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1.....The Charge

1.1The Instructions

On June 14th, 2004, the Board of Deacons at First Baptist Church appointed an Exploration Committee to "examine the feasibility of forming a community Bible-based Christian school, PK-12."

The motion approved reads, "The School Exploration Committee will be charged with the responsibility of investigating and laying the foundation for a community Bible-based Christian school, PK-12 in Aberdeen. They will investigate and make recommendations on such matters as:

- On-Site Survey

- Constitution and By-Laws
- Guidelines for forming a corporation which will enlist the new school board members
- Student handbook and policies and procedures manual
- Teacher Salaries
- Tuition Costs
- School Size
- 5-Year Budget Recommendations
- Any Other Items Pertinent to the Project"

1.2The Committee

Daryl Rieck was appointed to the committee as deacon representative. With the approval of the deacon board, First Baptist Christian School appointed board chairman Karen Edwards, and member Penny Droog. The Aberdeen Christian High School board appointed board chairman Mark Hoven, and vice-chairman Greg Peterson. The five initial committee members then solicited applications from the Christian community at large, interviewed applicants, and selected long-time First Baptist Church member and former Aberdeen public school board member Helen Gabriel; Presentation College Development Director Joddy Meidinger (also a parent of FBCS school children), Aberdeen physician Russ Pietz, and long-time educator Donna Fischer. The mix of board members provided a valuable cross section of the community with varied backgrounds, perspectives, and skills—all of which have melded into productive, hardworking segment of the Body.

1.3The Consultant

Gerald Twombly is President of Development Marketing Associates (DMA), Indianapolis, IN. DMA is an international consulting firm committed to serving Christian ministries in areas relating to organizational development (fund-raising, recruitment/retention, public relations, database management, strategic planning, and organization). DMA assisted Sioux Falls Christian School through a similar process and came highly recommended. His experience, leadership and spiritual guidance have been a great source of encouragement in helping the committee address its mission.

2The Work

2.1Site Visits

An initial first step of the Exploration Committee involved visiting the campuses of three South Dakota Christian schools that had undertaken a similar project. In a single day, all of the members of the Exploration Committee toured facilities and interviewed administrative personnel at James Valley Christian School, Mitchell Christian Schools, and Sioux Falls Christian. The visits provided the committee members an opportunity to see successful community Christian schools in action and offered a glimpse of what a community Christian school in Aberdeen might look like. The committee gathered information on: (1) the budgets and fundraising necessary to build and operate the schools; (2) how the schools were administered; and (3) what makes them successful. Spending the day together also created a special bond among the committee members that has facilitated their work over the past several months. The following is a brief comparison of information gathered from these schools.

2.1.1James Valley Christian

*171 Pre-K through 12 students

*45 high school

*14 Pre-K

*Catholic school competition—through 5th grade only

*Tuition Kindergarten \$1,710

Elementary \$2,850

Jr. High \$3,000

High School \$3,200

*51% of budget covered by tuition

*\$960,000 annual budget

*\$4.2M cost of construction of facility

\$400,000 mortgage

*Full time development person

*Teacher base salary \$19,800 + 11 steps @ \$400

2.1.2 Mitchell Christian

*170 students

*39 high school

*\$3M building project

\$385,000 left to raise

*General fund \$800,000

56-58% covered by tuition

Raise \$145,000

Gifts \$125,000

*Tuition \$3,300 + \$360 registration

*Request 5th Sunday offering from churches

3-4 churches have helped financially

*No full time development staff

Good support from businesses

Volunteer network for development

*20 Full time staff

Base pay \$20,000

2.1.3 Sioux Falls Christian

*Merger of two schools

*400 students in grades 4-12

*275 K-3

*Tuition elementary \$3,700

Middle school \$4,200

High school \$4,700

Covers 80% of budget

*Merged policy manuals line by line

*Had separate building committee to plan structure

*\$2.2M annual budget

2.2 Interviews

Our consultant spent two full days personally meeting with several people holding key positions in the community. The purpose of these meetings was to explain the project, seek input, and determine the level of financial support we might expect from them and the groups they represent. Meetings were conducted with donors of the schools, pastors of key churches, representatives of the higher education community, the mayor, the Aberdeen Development Corporation, the Superintendent of Aberdeen Public Schools, personnel from Roncalli Schools, and civic and business leaders.

The purpose of these interviews was to seek answers to the following questions:

1. Are you aware of the project being proposed?
2. Do you feel a Christian school is needed in Aberdeen?
3. Do you feel the Aberdeen community will financially support such a project?
4. What obstacles could such a proposal expect?
5. Are there things that could enhance the attractiveness of the project to the community?
6. Is this something you could support?
7. At what levels would you consider personal involvement?

2.3 Communication

The appointment of the Exploration Committee created some concern among key school personnel and constituents in both First Baptist Christian School and Aberdeen Christian High School. The committee made a concentrated effort to listen to concerns and respond to questions.

2.3.1 Faculty and Staff

Representatives of the Exploration Committee and the committee at large met with faculty and staff on three occasions to explain our efforts, respond to questions, and to seek input. In addition independent meetings between members of the faculty and staff were scheduled to address specific issues pertinent to the assignment.

2.3.2 Parents

Several opportunities were provided to parents to pose questions relating to the work of the committee. These included a group public meeting at the beginning of the committee's existence, small group "listening sessions," task force meetings, and personal interviews.

2.4 Task Force Meetings

The Exploration Committee identified groups of people that were perceived as being critical to the success of the proposed initiative. These groups included pastors of churches within the market area; those involved in the professions, community business leaders, and valued constituents of the school (parents, donors, and friends). Key representatives of these identified groups were invited to attend a task force meeting where they could learn details of the project and ask and respond to questions.

2.4.1 Pastors

Approximately 14 pastors from congregations in the greater Aberdeen area attended a task force meeting. The response to the idea was overwhelmingly positive with the pastors being supportive of the project.

2.4.2 Professional Groups

Doctors, attorneys, and those involved in the financial community participated in specific task forces. The general consensus of those participating in these activities was positive.

2.4.3 Business Leaders

Various business leaders were asked to participate in a task force. They expressed both interest and support in the prospect of the establishment of an independent, community Christian school.

2.4.4 School Constituents

Both First Baptist Christian School and Aberdeen Christian High School have loyal and valued constituents who also participated in task force meetings. These would include donors, long-time friends, former faculty, current staff, former staff members, parents, and alumni. In addition those representing the home school community, Christian parents with children in public school, and parents of children enrolled in other private schools were invited to attend meetings. These meetings provided opportunity for individuals to ask questions, express concern, and provide input to the committee.

2.5 Survey Results.

The committee commissioned a written survey, which was circulated primarily to key churches in the Aberdeen area, to parents of students in both schools, to faculty and staff at the schools, and to some members of the public at large. The complete copy of the survey is available for inspection from the FBCS office. A Summary Report is attached as an Appendix. Of approximately 400 respondents, 75% of those surveyed affirmed that it is important or very important for our region to have a new, high quality, community Christian school. They strongly favor the concept of a new community Christian school. Less than 10% strongly oppose it. When asked to name the top factors they desired in a school, the respondents said: spiritual emphasis, Biblical perspective, academics, and character-building. Survey results suggest these should be our top priorities in creating a new school. It would be advisable to put initiatives in place that will guarantee that these have a very strong presence in the new school, and that will assure parents that they will be there, and then to market these as the top reasons why parents would want to enroll their children in a new school.

2.6 Financial Options

2.6.1 Fund-Raising Potential

Interviews and research conducted on behalf of the Exploration Committee by our consultant led to the conclusion that should a new school launch a capital campaign at the present time it might be successful in raising \$1.2-\$1.7 million—nearly half of the expected construction cost of a 40,000 square foot facility. The Pre-Campaign Analysis containing those findings is included as part of this report.

2.6.2 Bond Financing

With the assistance of our consultant and the participation of Bill Edwards, formal approval was granted by the California Plan for Church Finance (CPCF) for a \$4 million bond issue to finance the construction of a new school facility, should borrowing become necessary. Research around the country and experience show that too often lengthy capital campaigns lose ground to rising construction costs. A bond issue would allow supporters to invest their savings for a period of time in bonds issued by the school rather than traditional secular investments such as mutual funds or bond funds.

2.6.3 Creative Financing

Additional communications are currently taking place with Paul Brooks, President of Helix, Inc. on financing possibilities currently being used by municipalities throughout the United States on major capital projects.

2.7 Facility Need

It is apparent that a new facility would be required to accommodate a new school. The FBCS campus currently provides adequate space for grades PK-8. Administrative office space is limited, and it would be extremely difficult to accommodate a high school on the present campus. Economies of scale, identity in the community, the prospects of increased support from churches in addition to First Baptist, and other factors favor having a PK-12 school on a single campus. It is the recommendation of our consultant that, should the decision be made to combine the two existing schools, immediate steps be taken to find a location where they can operate together under one roof.

This would require additional research. The committee at this point has been limited in time and resources to investigate existing buildings in the community that might be available for occupancy as a PK-12 school. The committee is aware of at least four buildings that might be suitable on a short term basis. If the recommendations of the committee are accepted, efforts to explore a common, acceptable site will need to intensify.

Representatives of the Exploration Committee also listened to possibilities of new construction by a representative from the Building God's Way ministry. All of these alternatives need to be thoroughly investigated. Costs of building and operating a new school are a best guess at this time. Based on figures from comparable projects built by Building God's Way around the country, the committee anticipates a building cost for a 40,000 square foot facility of approximately \$4,000,000.

2.8 Site Investigation

The committee has identified potential sites for a new school and has had preliminary conversations with land owners as it relates to (1) their availability and (2) whether a "gift in kind" would be considered.

2.9 Budget

Until such time as the new school occupies an interim or long term facility we would expect an initial budget similar to the combination of the current budgets of the two schools. Rent for grades PK-8, together with utilities and insurance would be significant additions to the budget once the schools locate to a single campus. Attached as an appendix is a projected budget for the first year of operations on a single campus. We estimate an annual cost of approximately \$660,000.

If the school were to move forward with a newly constructed facility costs would increase significantly for debt reduction, operating and maintenance. We would anticipate an annual budget under a new facility of approximately \$900,000.

2.10 Teacher Salaries

The committee notes that the faculty of both schools work hard and with a generous spirit. Salaries should be reviewed with the idea of upgrading and standardizing them for all of the faculty of a PK-12 school. The committee feels base salaries should be uniform and at least be competitive with other Christian schools in eastern South Dakota. Increasing salaries and possibly offering additional benefits would result in another significant increase in the budget projections.

2.11 Constitution, Bylaws, Policies and Procedures

A Governance subcommittee examined Constitutions and Bylaws from the existing schools and from those the committee visited. The subcommittee outlined a proposal for governance of a new community Christian school. The existing corporate structure of Aberdeen Christian High School is suitable to be adapted to the needs and vision of a new community Christian school. ACHS already has its 501(c)(3) status. Its Articles of Incorporation and Bylaws could be easily amended and restated to capture the vision of a new PK-12 school. The governing structure would include appointing a policy making board to meet at least monthly to govern the school, coupled with an advisory board made up of representatives of supporting churches and key people in the community meeting once or twice a year to evaluate the school's progress toward fulfilling its vision. Other details are provided in the subcommittee's report, which is attached as an appendix to this report.

A Policies and Procedures subcommittee met with Nora Grosz to compare existing written policies and procedures of ACHS with those of FBCS. A side by side comparison was made and is also attached as an appendix to this report. In general the Exploration Committee feels the policies are compatible with a few notable exceptions. The differences, however, are not insurmountable and are not likely to stand in the way of combining the two schools into a single school.

3The Options

3.1Option 1

The first option evaluated by the committee was whether or not it would be in the best interest of Christian education in the Aberdeen area to maintain the status quo.

3.2Option 2

A second option available to the exploratory committee was to merge the two schools.

3.3Option 3

A third option was to bring the best of the resources of both schools and start a new, independent, nondenominational Christian school that could be supported by the broader evangelical community.

4Findings, Conclusions, and Recommendation

4.1 The Findings

Following extensive research and investigation the Exploration Committee finds:

- a. FBCS is a well established, well run school marked by a close knit community of caring professional staff. The school's success is evident in the support and confidence of the students, their parents, and those members in the community who are linked to the school;
- b. ACHS is a younger school, but also with committed, caring, competent and professional staff. By venturing into the high school arena, the board, faculty and staff of ACHS have blazed a trail of sorts for nonsectarian Christian secondary education in Aberdeen. The experiences of ACHS would provide a head start to offering quality Christian secondary education as part of an independent community PK-12 Christian school;
- c. While well established in Aberdeen, FBCS is seen predominantly as a church school. Unless they are willing to engage in more specific research, parents from other denominations often have misconceptions about the community and offerings of FBCS;
- d. ACHS is a young school, still working to develop a full contingent of electives, programs, and extracurricular activities many parents desire for their children's high school education;
- e. Survey results, task force meetings, and individual interviews show a broader range of support for an independent community Christian school. Support would come not only from the Christian community, but also the business and civic community. There appears to be greater financial and community support for a single PK-12 community school;
- f. There are a number of economies of scale in a single school: Administration, physical plant, development, competitive sports and other extracurricular activities, books, teachers, and other resources (for example high school science and math teachers could also teach advanced junior high math and science for students ready for advanced courses);
- g. The prospects for success of a new PK-12 Christian school are greater if it can be housed in a new, high quality facility;

- h. There is support in the financial community to assist with development for a new school.

4.2 Conclusions

- a. Combining the schools to build a single, nondenominational Christian school would allow the schools to bring their respective strengths and experience to advance Christian education in Aberdeen. The sum total of the schools would be greater than its individual parts;
- b. A single PK-12 Christian school would provide for continuity in the students' education. There would be continuity in the curriculum and staff so that parents would have a clearer picture of what high school might be like;
- c. Combining the schools and resources will enhance the schools' ability to offer a full contingent of electives, programs, and extracurricular activities many parents desire for their children's education.
- d. A single PK-12 Christian school would provide more visibility to parents considering Christian education for their children;
- e. A PK-12 school would be more efficient and better stewardship of resources;
- f. To be successful, a grass roots campaign to build links with people in the community will be necessary;
- g. The desire by some for a Christian education alone is not enough to capture the imagination and support from the Christian community at large. The school will need a clearly stated mission, offering more than mere academics. It will need distinguishing characteristics that transcend even a traditional Christian school;
- h. A solid PK-12 Christian education will benefit students individually, and can equip them to impact the world around them;
- i. An independent Christian school will allow ACHS and FBCS to expand their ministry beyond their current capability. The sum total of the schools would be greater than its individual parts.

4.3 Recommendation

Based on the above findings and conclusions, the Exploration Committee unanimously recommends that Aberdeen Christian High School and First Baptist Christian School combine their efforts, resources, and boards to establish a new, independent PK-12 Christian school to be located on a single campus.

4.4 Timeline of Next Steps

If our recommendation is accepted we would suggest the following next steps:

1. The current Exploration Committee be commissioned as a transition team.
2. This transition team would address legal matters pertinent to the task at hand such as drafting or revising organizational documents, adopting and revising existing policies and procedures, and to begin identifying and interviewing prospective board members. Governing documents and prospective board members would be presented to the existing governing boards for approval by December 1, 2005.
3. The transition team would continue researching facility issues, financing packages, policies and procedures, etc.
4. New board members would be appointed by the existing governing boards to begin their terms of service on January 1, 2006.

5. The new governing board would solicit applications immediately and interview prospective candidates for the position of PK-12 Administrator and Development Director.

6. The governing board would appoint a school administrator in time to assist in renewal of teacher contracts and other personnel issues. The new administrator and school board would hire faculty for the 2006-07 school year.

7. The governing board would begin a strategic planning initiative.

8. A funding campaign would be launched in the fall of 2007.

Pre-Campaign Analysis Report

Aberdeen Christian School

Aberdeen, SD

An evaluative feasibility study to determine the likelihood of success of a Capital Funding Campaign for Aberdeen Christian School was conducted July 28-29, 2005. The proposed campaign would provide the resources essential to build a permanent campus for a proposed new community Christian school to serve Aberdeen and the surrounding area.

The Capital Campaign

The institutional capital funding campaign is intended to raise funds over and above general operating expenses. Since traditional sources of revenue are often unable to fund program development and the facility needs of a school, a special campaign to raise additional financial resources is often essential.

- Determining the advisability of a funding campaign,
- Suggesting an amount that could be raised,
- Providing a suggested structure for campaign organization, and
- Recommending a timeline for implementing the proposed program.

Since any organization has the potential to raise additional dollars at virtually any time, the recommendations in this report are made to guide the school's administration and board in determining if the time is right for a campaign, what might be expected in way of public reaction, and the approximate amount of money that could be anticipated.

The Feasibility Process

When conducting a feasibility study, Development Marketing Associates draws conclusions on the basis of the following criteria:

- Since 80% of capital funding income is likely to come from 20% of your donors, it is essential to determine the prevailing attitudes of this 20%. This is accomplished through a series of representative interviews conducted over a period of two days with these potential donor prospects.
- Since current donors to First Baptist Christian School and Aberdeen Christian High School represent the most likely group of people to support a capital funding initiative, a great deal of emphasis is placed upon analyzing gifting records. Weight is placed upon the amount of money that has been raised annually over the past several years, the number of active donors in any given year, donor attrition, and the average size gift given by donors in support of the school and its programs. Attention is given to any anomalies in gifting patterns that might distort objective projections.

- Since a capital campaign generally appeals to individuals who are not current supporters, an effort is made to determine who might be likely to support a projected campaign and what their attitudes might be toward the anticipated project.
- Since competing campaigns might divert the attention of donors to a school's campaign, it becomes essential to determine if there are current campaigns taking place or being proposed in the community that might compete with your proposed campaign. It is also important to know if donor prospects to your campaign are completing the payment of pledges on a previous campaign in which they may have participated.
- Since subjective views held by prospective donors and/or by the community in general may distort reality concerning the proposed project, every effort is made to uncover things that could enhance or detract from a successful funding campaign.
- Relevant demographic data regarding the community, its charitable mindset, and its spiritual tolerances are evaluated.

Since the capital campaign process seeks to engage others; the relevance of the campaign project, its perceived need, and the numbers of people impacted directly or indirectly have a bearing on anticipated success. Observations and recommendations made in this report are based on as an objective a basis as possible but since predicting behavioral responses is less than an exact science, the accuracy may be subject to question.

Specific Ways in Which People Support Charitable Needs

The challenges facing "Aberdeen Christian Schools" involve the raising of money to build a permanent campus for the school that would provide for an increase in enrollment and the expansion of programs. There are a variety of ways in which people might become involved in support of a proposed campaign. Those include:

- **Personal Cash Gifts.** It will be essential that a large number of people step forward and make generous financial commitments to the expansion program being proposed. Generally capital funding efforts provide donors the option of amortizing their commitment over a prolonged period of time. Development Marketing Associates recommends that the amortization schedule of a major campaign be between 3-5 years.
- **Organizational Support.** Charitable support for a capital funding effort like that being proposed can sometime come from independent organizations such as churches, businesses, corporate entities, and charitable foundations.
- **Planned and Deferred Gifts.** The majority of major donors will make gifts through planned or deferred gifts. Organizations contemplating a major funding initiative should make the presentation of both planned and deferred giving opportunities a high priority.
- **Gifts in Kind.** Many individuals choose to provide financial support for a capital funding initiative by providing non-cash gifts in kind. These gifts may represent appreciated assets held by individuals (stocks, bonds, property, etc.), product (manufactured items such as building supplies), or services (professional assistance or labor).

It is important that should a campaign to raise funds be launched that organizational provisions are made to accommodate the varying interests, needs, and desires of potential donors.

What is A Million Dollars?

There are a variety of ways in which an organization might look at an enormous challenge. Generally speaking, however, most feel comfortable breaking down a large goal into smaller components.

It isn't until volunteers can "see" that the goal they are seeking to achieve is obtainable and that the organizational structure that has been put in place can facilitate engaging the support of others to achieve this goal that they will enthusiastically come forward in support of the campaign.

While the distribution of donations in a capital funding campaign will vary, it is often helpful for organizations to gain perspective on how \$1 million could be raised. The chart below reflects variations of what might occur in the raising of \$1 million.

Number of Donors	Amount of Gift	Total Given
1	\$1,000,000	\$1,000,000
2	\$500,000	\$1,000,000
4	\$250,000	\$1,000,000
8	\$125,000	\$1,000,000
16	\$62,500	\$1,000,000
32	\$31,750	\$1,000,000
64	\$15,625	\$1,000,000
132	\$7,576	\$1,000,000
264	\$3,789	\$1,000,000
500	\$2,000	\$1,000,000

When taking into consideration that these gift commitments could come in cash, in-kind contributions, or through the utilization of creative estate planning, most can see that a successful campaign is within their grasp.

Factors Impacting Potential Success

When conducting a campaign feasibility study, it is important to identify those issues that could impact a proposed major funding effort on behalf of Aberdeen Christian Schools. Among them being:

•**Competing Campaigns.** In seeking to raise funds during a capital funding campaign, schools often seek the financial involvement of individuals within the community who are not current supporters but who might have an interest in the success of the project being proposed. These individuals typically represent evangelical Christians who share a commitment to the underlying philosophy of Christian education or financially capable community friends who see the value of the educational alternative Christian education provides. Since other major funding efforts tend to target similar prospects, it is important to know if there are fund-raising activities taking place at the present time that could effectively siphon funds from your proposed campaign. There has been a great deal of fund-raising activity in recent years in the Aberdeen community. Larger projects like the YMCA, the Dakota Prairie Museum, and some large church expansion campaigns have been strongly supported by the community's major donor pool.

•**Visionary Long Range Planning.** Enthusiasm and support for a capital funding campaign is directly proportional with the viability of the vision for which funding is being sought. Since the primary focus of the Exploration Committee has been committed to determining the viability of establishing an independent nondenominational Christian school, the committee has only begun to identify the vision of what this new school would look like. Developing a clear vision should become a priority to move the project forward.

•**Donor Prospects.** The first step in fund-raising involves identifying your donor prospects. The primary prospects for a funding campaign that would be initiated by Aberdeen Christian Schools would be current supporters of the school, parents and extended family members of currently enrolled students, alumni and their parents, members of the evangelical community (represented by those churches that have students enrolled), local businesses and corporations, and individuals within the primary market area.

Determining Funding Potential

A number of factors impact the ability of a school to raise capital support. Among them are:

•**Current Levels of Support.** The most likely group to come forward in support of a proposed capital funding initiative is those who are currently financially supporting the school. Based on information provided us as part of this study, the total amount of rational giving for the past three years to both First Baptist Christian School and Aberdeen Christian High School approximates **\$150,000** each year. Rational giving represents general contributions made by individuals in support of the school; fund-raising income was not included in our calculations. Based on formulas utilized by DMA in projecting campaign income we believe you could expect to raise \$625,000 from your current donor support base.

•**Churches.** While churches in the area are unlikely to come forward with significant financial support for a proposed funding campaign, it is likely that there are Christians within evangelical churches in the area that, if approached, would come forward with gifts for an independent community school. Students in your schools come from 12 different congregations in the greater Aberdeen area. Assuming the school moves into a capital funding campaign and an infrastructure is put in place to identify key donor prospects within affiliated congregations; we would estimate that the amount of additional support you could expect from Christians in your community would be \$24,000.

•**Gifts in Kind.** A strong thrust to secure "gifts in kind" contributions might expect to raise a significant amount of financial support to assist the expansion of Aberdeen Christian School. Our experience is that in new construction, it is realistic to anticipate between 15-25% of the total

retail cost of the projected facility in “in kind” contributions. Based on a construction cost of \$4 million, we would anticipate an additional \$600,000 from this significant source of potential gifting.

- *Special Projects.* Capital funding campaigns generally spawn a series of special projects in their efforts to gain support. It is suggested that approximately \$45,000 could be raised by these special projects over the three-year amortization period.

- *Other Sources.* Foundations and businesses may make grants to any campaign proposed by the school and individuals might also consider planned (or deferred) gifting opportunities. While these contributions are difficult to predict, it would be reasonable to expect that this campaign would generate approximately \$10,000 in these kinds of arrangements.

- *Major Donors.* Major donor contributions represent a significant portion of what a school could expect should it move into a capital-funding program. In calculating a projection for what you might expect in major donor contributions we have identified a major donor as anyone who could give \$10,000 or more over a three-year period to support your programs. On the basis of our interviews, current giving trends, and the demography of your market area we would anticipate that you could expect an additional \$100,000 from individual major donor contributors.

- Based on these factors and our experience in conducting campaigns of a similar nature in communities with a similar profile to the city of Aberdeen, it is our best judgment that you might be able to raise between \$1.2-1.7 million over a three year period should the decision be made to proceed with a capital funding campaign.

Other Factors

There are other factors that need to be evaluated before making a decision to proceed in initiating a capital funding campaign initiative. These factors include:

- **Major Donors.** Successful capital funding campaigns rely heavily on the support of major donors. The general rule is that nearly 80% of what you might expect to raise will come from approximately 20% of the total number of donors you will eventually engage. On that basis, it would be important to determine what might be anticipated from major donors before committing to an announced campaign goal. Aberdeen does have potential larger donors with whom the schools have some linkage; there were several names mentioned during the context of our interviews of individuals and who might consider a major contribution. In some instances you have “linkage” to those prospective donors. Capitalizing on that linkage will be a key to gaining their financial involvement.

- **Prevailing Attitudes.** The prevailing attitudes of potential supporters will have a great deal to do with the projected likelihood of success for a project you might initiate. Parents are generally positive about the school, expressing appreciation for the emphasis upon character building, academics, teachers and staff, and the overall positive atmosphere within the school. There are other factors that could be quite significant in changing attitudes, specifically the “right” administrator for this community and the manner in which the vision for the school is articulated and presented.

- **Perceived Need.** Education is important to Aberdeen. The presence of two colleges in the community, a very successful Catholic school (Roncalli), and the success of First Baptist Christian School and Aberdeen Christian High School would indicate that the community values educational alternatives and will support them.

•**A Comprehensive Plan.** Donors must be convinced that the case for your capital campaign is part of a comprehensive plan that will take you from where you are to where you want to be. It would be good for the school to spend time articulating all aspects of its vision for the future and include that in an eventual campaign Case Statement.

Strengths and Concerns

First Baptist Christian School has been used of the Lord in providing a positive Christian educational witness in Aberdeen and the surrounding areas for over 20 years. Aberdeen Christian High School has completed its sixth year of providing a secondary program. Among the noteworthy areas of commendation are:

•**Faculty and Staff.** The faculty and staff are seen as caring, committed, and concerned about the students and devoted to the fulfillment of the school's mission. Teachers are willing to help struggling students. Collectively they are seen as having a deep love for the Lord.

•**Academic Program.** There is a genuine appreciation among your parents on the emphasis given to high academic standards. The curriculum received high marks along with the commitment to build spiritual and moral character while educating the mind.

•**Atmosphere.** Parents commented enthusiastically about the Christ centeredness of the schools' programs, positive approach as it related to disciplinary issues, loving and nurturing teachers, and the family atmosphere that exists. The small class sizes were singled out as a positive.

•**School Board and Administration.** Both schools have boards composed of dedicated and competent members. First Baptist Christian School board members come from First Baptist Church while ACHS members are selected from the community at large.

Areas of Concern

In addition to notable strengths, several areas were identified as needing to be proactively addressed if the school is to achieve its vision for the future.

•**Facilities.** Should the two schools come together and become a single, independent, nondenominational Christian school there is a strong desire to see the schools join together, as soon as possible, under one roof. There may be an intermediate step required should there be a delay in constructing new facilities. "As long as the two schools are separated, regardless of what action takes place pertaining to joining them, they will act and be seen as independent entities."

•**Programs.** Individuals with whom we spoke suggested several program areas that they would like to see improved, especially in the high school. People spoke to the limited number of elective opportunities in the high school, the need for a fine-arts program, expansion of technology, and the addition of AP courses. Many expressed frustration in the lack of extra-curricular programs available to students and the limitations in not having adequate facilities to accommodate the development of the science program. The well developed programs of Roncalli place additional pressure to make certain that comparable opportunities are available at the new school.

•**Personnel Issues.** While faculty members are applauded in terms of their abilities and commitment to the school, there is a general concern that the low salaries make it difficult to recruit high quality new teachers to the school. The low faculty salaries are a concern among many with whom I spoke. A

concern has also been raised that all certification requirements for faculty members are adhered to in both schools..

•**Public Relations/Communication.** Aberdeen is a small community and the existence of the schools is widely known. There is a significant public relational opportunity should the schools join together that should not be overlooked.

•**Church Relations.** A new “community Christian school” provides unique opportunities to bring together churches in its support that should not be overlooked.

Distribution of Gifts

Organizations entering into a major campaign have often looked to guidelines to help them in the planning process. In a typical campaign for \$4 million, gifts will often be distributed in a predictable way. The following chart reflects that typical distribution and can help the school in developing appropriate strategies in the management of its campaign initiative. The numbers can be adjusted to accommodate the size of any proposed campaign.

# of Donors	# of Prospects	% of the Total	Size of Gift	Running Total
1	2	8%	\$320,000	\$320,000
2	4	6%	\$240,000	\$800,000
4	8	4%	\$160,000	\$1,440,000
8	16	2%	\$80,000	\$2,180,000
16	32	1%	\$40,000	\$2,820,000
32	64	.50%	\$20,000	\$3,460,000
64	128	.25%	\$10,000	\$4,000,000

Another way of trying to assess what your donor needs might be would be to look at your total funding goal and conduct the following exercise:

- Mega Donors.** Seek to identify the names of ten people who could give a third of the total that is required.
- Major Donors.** Seek to identify 100 people who could give half of the balance that remains.
- General Donors.** General donors to your campaign will traditionally give the balance.

Recommendations

We believe that should “Aberdeen Christian Schools” enter into a capital funding initiative it would be successful in raising between \$1.2-1.7 million. (Approximately 50% of that we anticipate would come from those making “in kind” contributions).

As suggested in this report, there are a number of factors that could change this scenario, included among them would be the naming of a respected and recognized individual known and respected by the Aberdeen community. Also the acquisition of land would further indicate that the schools are “serious” in their intention to build.

Based on these and other considerations, DMA would make the following recommendations:

- We would recommend that the launching of a capital campaign be delayed until the fall of 2007, at the earliest. This would provide time for a new board to name an administrator, conduct strategic planning initiatives, and launch a strong and coordinated public relational initiative.
- We feel that should the decision be made to join the schools that immediate attention should be given to bringing the two schools together “under one roof.” This is important in that it brings two faculties together, it communicates a “new beginning” to the community, and will communicate the seamlessness of the academic program from Pre-School through high school.
- Beginning a “new school” provides unusual opportunities to cultivate relationships in a variety of creative ways. This can be helpful in gaining input and support from new sources while holding the potential of engaging “life-long partnerships” in your pursuit to impact school age children in the Aberdeen market area.
- A delay would allow the new school board to measure all the alternatives available to them and allow time for building an organization to support a successful funding initiative.

In our estimation, the establishment of an independent, nondenominational Christian school in Aberdeen makes sense. It will be cost effective, more efficient, and has the greatest potential of bringing together the evangelical community in support of a common cause; prospective donors can focus their attention on one school and not two. The project has the potential of being a great witness to a community that Christians can come together in ways that can enhance the overall health and well-being of the greater community of which they are a part.

5.1 Consultant Recommendations

Based on the research conducted by our company, interviews conducted with scores of community individuals, and work done in committee with the appointed Exploration Committee I would recommend the following actions:

1. I would recommend that the Deacon Board of First Baptist Church present a motion to the congregation to join First Baptist Christian School and Aberdeen Christian High School and form an independent, nondenominational Christian school with the clear intention of expanding educational opportunities to families desiring a uniquely Christian (Biblically based) educational alternative.
2. I would recommend that every effort be made as soon as is practically possible to join both schools under one roof. I believe this action would send a signal to both faculties that the new school is a single entity, under the leadership of one board, and committed to providing the community a seamless Christian educational experience from Pre-School through Grade 12.

3. I would recommend that a transition team begin the process of addressing legal issues to complete the process, prepare draft documents of a mission statement, policies, and procedures, and begin the process of identifying, interviewing, and appointing a permanent board to take office on January 1, 2006.

4. Among the first issues of business of the initial board is the hiring of a full-time school administrator and development director. This should be an individual who would capture the imagination of the community and one who can lead a team not just administratively, but spiritually to fulfill the stated mission and vision of the new school, ultimately to the absolute glory of God.

5. It is essential to begin a process as soon as is practically possible to create both a strategic and developmental plan for the new school.

6. I would recommend the launching of a capital funding campaign be postponed until these initial issues have been resolved and no sooner than the fall of 2007.

5.2 Major Donor List

Major Donor/Key Influencers

Aberdeen, SD

A list of names will be identified from the feasibility interview process of individuals who were recognized by others as influential *and/or* may have the capacity to consider a major contribution (\$10,000 or more) to a capital funding initiative. Not all persons listed could be expected to support the project, but the names should be prayed over to determine where God might be leading.

The columns in the chart should be completed to assess the likelihood of participation in a campaign and to provide guidance in strategizing prospect cultivation/approach activities.

Prospect Name	Cultivation Level	Vestiture	Linkage Point	Contract Date

6 Appendices

6.1 Survey Summary Report

6.2 Consultant's Executive Summary

6.3 Projected Budget

6.4 Governance Report

6.5 Policies and Procedures Report

CONCLUDING THOUGHT

In Exodus 33:13, as Moses was being commissioned for the long journey, he petitioned the Lord to show him His ways, that he might know Him and find favor in His sight, and said: "If your Presence does not go with us, do not send us up from here." Our prayer is that God would reveal His plan for the schools in such a manner as this—that he not let us go up from here unless His presence is with us.

SCHOOL EXPLORATION COMMITTEE
August 15, 2005