

December 12, 2014

Dear Fellow Members of the Rising Sun Community,

This memo outlines my thoughts on the New Dawn. I have four points to make:

1. The **Mission** of the Louis August Jonas Foundation can be pursued anywhere
2. The **Vision** of the Foundation has been one of growth for a long time – growth in camper and alumni programming
3. The growth agenda of the Foundation has generally been and must continue to be checked by **financial prudence**
4. The **New Dawn** proposal itself failed to depict the economic rationale of the move, miscalculated alumni reaction, failed to listen to alumni feedback in several material respects, and continues to move too quickly – we need to slow down!

Four specific recommendations are made:

Recommendation #1. Reduce cost. Simplify operations. Do less. Do things more cheaply (e.g., do we need a \$25,000 *Sundial*? I know I don't)

Recommendation #2. Develop and publish a side-by-side comparison, showing what it costs to run two camps in Dutchess County, and what it will cost to run one co-located camp at a new, target location. This does not have to be the precise new location, just a proxy for the kind of place we might move (e.g., Poconos, Berkshires). This should become a key component of a comprehensive **Strategic Plan for the New Dawn**.

Recommendation #3. Work with alumni leaders to estimate how much fund raising could be gained by keeping the camps where they are – and how much would be lost by moving the camps. This should become a key component of a comprehensive **Strategic Plan for Preservation**.

Recommendation #4. Defer any major property sale or purchase until after the results of the 2016 Clinton Experiment are known.

Overall message: the Board would show great leadership by engaging with alumni. This whole initiative continues to move all too quickly – we need to slow down!

MISSION CAN BE PURSUED ANYWHERE

I was a camper in 1978 and 1979, counselor in 1984-86, and served on the Board of Directors from 1991 to 2005, including terms as President and Chairman. I've been part of Rising Sun alumni groups in New York, Washington, DC, Colorado, Norway and Denmark.

When I was a camper, Freddy passed away on the last day of the camp season. There was widespread talk among the alumni that Camp could not go on without Freddy.

But a handful of people had vision. George Ames, Mandy Mascia, Bill Dubey and others recognized that **Camp Rising Sun is an idea**. It is an ideal, a set of insights about how young people develop. This creature of the intellect cannot be tied down to a specific person or place or time. The seasons of the 1980s reminded old-timers of the seasons of their youth, precisely because the governance of the organization was filled with the spirit of that time.

Later, we established a camp for girls at Clinton, and the Danes developed a splendid camp at Stendis, run by their own foundation, GEJF. These, too, reminded campers of the 1940s and 1950s of the experience they knew. So there were girls? They were Rising Sun girls! So there was no Old House or Louise Falls? There were other landmarks that came to be just as dear to the campers of those times and places.

VISION OF GROWTH

Around the turn of the century – I was Chairman of the Strategic Planning Committee at the time – we adopted a Vision Statement. We chose not to diversify or change focus, but to grow our impact in the world through **camping and alumni programming**.

We did this. The camp grew from 60 to 120 campers pr year, and then in the early 2000s, with the addition of Stendis, we were serving 160 campers annually, most of them female. The CRS alumni body is now more than 30% women, and will eventually be 50/50 (or a little more).

The **ARISE program** (a community service fellowship) was our first genuine example of *alumni programming* – not volunteer or networking opportunities for alumni, which were there from the beginning, but an actual program with content aimed specifically at CRS alumni. The **George E. Jonas Scholars** (a higher-education scholarship program) followed soon thereafter.

Financially, the Endowment was in the \$14-16 million range in the early 2000s. Each year, this gave us ~\$825,000 to spend (at 5.5%), and with an annual operating budget for the camps and foundation offices of \$1 million or less, we only needed \$200,000 or so in annual fund raising to keep everything going.

So how much did we raise? It varied. Line 1 of the 990 for 2002 (FY03) shows \$240,866, and 2003 (FY04) shows \$805,005 in contributions, gifts, grants; details are provided for some of the larger contributors, for example, in FY04, the Dart Foundation gave \$200,000, an alumnus from the 1980s who recently signed the Declaration donated \$252,000.

So life was good. The biggest challenge financially was that many of the larger grants were for restricted purposes – ARISE, Stendis, Jonas Scholars, capital improvements to the Red Hook site. (This is also the reason why the LAJF budget was several hundred thousand dollars lower than the 990 would reflect: we would not budget for restricted gifts that would come in during the year; nor are these items relevant to the running of Camp Rising Sun and the Foundation. So they should not be included in any cost comparisons. This has been the subject of much confusion lately.)

Yet we saw the day coming when we would be pinched on operations. But it had not yet come, and when I left for Denmark in June 2005, I was not overly concerned about the foundation's financial health.

All this would change, of course, with the Crash in 2008. It got so bad that the camps had to close for one season, breaking the chain that extended back to 1930. The Endowment tanked from over \$16 million to a low of ~\$9 million at one point, before recovering to ~\$12 million where it stands today. At this level, the 5.5% draw is only \$660,000, which is \$165,000 less than it had been – this money had to be fund-raised every year, and inflation had slowly but surely been eating into the numbers as well.

Meanwhile, the Vision of growth and alumni programming has not changed much. It's just that the resources were (and are) no longer there. The result? Stendis closed in 2009 and never reopened. ARISE has dwindled. The Program that was once 9 weeks long, and then 8 in my time, has declined to 7 weeks. And it will be 4 weeks in 2015.

In the aftermath of the Crash, to address the obvious need for funds, the Board decided to reposition Camp as an educational institution. Building on work that had started in 2004 or so, the language of education came into vogue. CRS now had a "curriculum" with "participants" or even "students." Outside lecturers were brought in at one point. Longitudinal studies of impact were done scientifically for the first time. Finally, an educator was brought in to lead the organization, and a full-time fund-raiser, with the explicit goal of gaining **million-dollar grants** from the nation's largest philanthropic organizations.

This *Camp-as-education* (indeed the first form of "experiential education") movement had many beneficial aspects, no doubt. Some are controversial. But the one thing we can all agree on is that the long-sought-after million dollar grants from educational foundations were not forthcoming. Even after five or more years of trying, **the vast majority (about 90%) of funds raised come from alumni and their families.**

We should acknowledge that the growth goal is long-established and wholesome, but that it seems very unlikely at this point that any *deus ex machina* is going to save us. The only ones who are likely to support this organization financially are those who have been touched by it personally.

FINANCIAL PRUDENCE

As part of the effort to achieve large, outside donations, the principle of living within the 5.5% was *consciously abandoned* by the Board several years ago. The hope was to achieve \$1+ million per year in fund raising. A great deal of investment in fund raising and alumni relations was made, including an "upgraded" the Executive Director job specification, resulting in annual costs of \$200,000 to \$300,000 per year in salary/bonus/benefits/travel; a full time, senior fund raiser; a full-time, senior alumni coordinator; significant monies spent on consultants, campaigns, and the *Sundial*. Overall, the alumni affairs and fund raising costs for the past five years exceed \$1 million.

To an extent, this has yielded fruit – annual contributions have been running at ~\$500,000 year-in, year-out. Much of this should be credited to the personal work of the dozen or so people who serve on the Board, which is our first true "fund-raising" Board. Most contribute at least \$10,000 per year and personally raise much more than that.

We should all be very grateful for their efforts. I know I am.

But by now it should be clear, after more than five years and more than a million dollars in investment, that LAJF is never going to achieve its goal of getting large sums from non-alumni. It is time to **build-down the infrastructure** of fund raising that has been built. Time to cut overhead, live within our means, focus on alumni.

While some cuts have been made (e.g., the full-time fund raiser was not replaced), the total budget remains at **\$2,000 to \$3,000 per camper-week**. This is significantly more than we spent historically (\$1,000), significantly more than even the most elite camps in the nation (\$1,600), and significantly more than the Stendis camp cost (\$625).

We have a long way to go.¹

Unfortunately, we are not moving in the right direction. *The cost per camper-week in 2015 will be higher than it was in 2014.*

Recommendation #1. Reduce cost. Simplify operations. Do less. Do things more cheaply (e.g., do we need a \$25,000 Sundial? I know I don't)

NEW DAWN

Instead of fiscal discipline, what we have gotten is more of the same “grow-or-die” mentality. The Rising Sun family is told that we have to sell our ancestral home, load up the truck and move – somewhere.

The alumni have not bought into the vision because the Board has **failed to depict the economic rationale** of the move. We are told that New York is a heavily regulated state (it always has been); that we could save money on summer staff, insurance and other costs if we move someplace cheaper. Maybe this is true, but no side-by-side comparison has been made and/or published.

Recommendation #2. Develop and publish a side-by-side comparison, showing what it costs to run two camps in Dutchess County, and what it will cost to run one co-located camp at a new, target location. This does not have to be the precise new location, just a proxy for the kind of place we might move (e.g., Poconos, Berkshires). This should become a key component of a comprehensive **Strategic Plan for the New Dawn**.

The Board has **miscalculated alumni reaction**, judging wrongly that the alumni did not care just because not everyone has been donating. The drinkers of Coke took it for granted – until **New Coke** was announced in the 1980s. Similarly, many people who haven't been to (or thought about) Camp in years suddenly found themselves caring a lot about the fact that it would no longer be there.

Recommendation #3. Work with alumni leaders to estimate how much fund raising could be gained by keeping the camps where they are – and how much would be lost by moving the camps. This should become a key component of a comprehensive **Strategic Plan for Preservation**.

¹ Elite camp article, <http://www.therichest.com/luxury/most-expensive/9-most-exclusive-summer-camps-for-rich-kids/>; \$944,000/(120*8) for CRS 2003; \$200,000/(40*8) for Stendis' last year

To be specific, the Major Donor Committee has reportedly lined up \$2+ million in funds that are somehow contingent on the “good story” of moving to a new state. But the Committee has never canvassed the leading members of the alumni community to see if they would match or exceed this amount. This should be quantified.

In addition, the Board should quantify how much fund raising would be lost in the form of bequests that would be redirected away from LAJF in the coming years, if the old camp sites are sold off.

The Board **failed to listen to alumni feedback**. The Summit in New York City in September 2014 gave clear feedback that the alumni believed 4-week program idea had no future. What was the first thing the Board announced after that meeting? A 4-week program for 2015.

- ◆ Had this programmatic change emerged from or been vetted by the Program Committee? No.
- ◆ Was it approved by or discussed with the MAC? No.

Co-location. The Board, based on no evidence whatsoever, is jumping to the conclusion that co-location will not harm the integrity of the Program.

We had the choice once before to experiment with co-location. In 1985, we discussed this, and determined that each gender needed its own space. We agreed that sharing facilities would inevitably lead to all the problems of co-education that the campers of 1985 feared. In the early days of Clinton, we experimented with greater and lesser degrees of contact between the camps. The consensus was that “less” was better than “more.”

Now that was 20 years ago, and times have changed. High-priced camping consultants tell us that co-ed (or at least co-location) is the new wave. But there is *still a risk* that co-location will impair our Program. Once you go to a co-located site, it would be almost impossible to go back.

Why take that risk? Why not run the co-location experiment in Clinton in 2016 first?

Recommendation #4. Defer any major property sale or purchase until after the results of the 2016 Clinton Experiment are known.

In its reaction to the alumni sentiment, the Board has continued to move too quickly. The Board graciously put the sale of the Red Hook property on hold for six months, but the Executive Director continues to scout around for properties to buy in neighboring states. **Evidently, the intention is to purchase a property even before the existing sites are sold.** Purchasing a new property quickly, as a kind of *fait accompli*, would be a terrible mistake.

LEADERSHIP

More than 300 alumni have already signed a Declaration, and more sign every day. Many are prominent people; many have served the Foundation for decades, including former Board, MAC, Committee members and Selectors from all over the world. Instead of entering into a genuine dialogue with this group, the Foundation’s response has been to minimize their importance.

“The Board has recently received an email from a very small number of alumni,” the Executive Director wrote this week.

A very small number? *There are only about 2,800 alumni in the database.* Typically, LAJF has only received donations from ~500 of them.

To have 300+ people sign a Declaration is important. It means they are paying attention. It means they care. It is a moment to be seized. That would be **leadership**.

Instead, what we’re getting is defensiveness, stonewalling, public relations, and “spin” doctoring.

This whole initiative continues to move too quickly – we need to slow down!

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If you read this letter and would like to sign the Declaration, or send your own letter to the Board, or post your own letter online, or write in to Facebook, that’s great. If you want to email me, feel free. Just use crescentvarrone@me.com.