



RURAL AMERICA INITIATIVES CAPITAL CAMPAIGN

2022/23

*Serving Rapid City's Most At-Risk
Lakota Children and Their Families since 1986*

Rural America Initiatives

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www.ruralamericainitiatives.org

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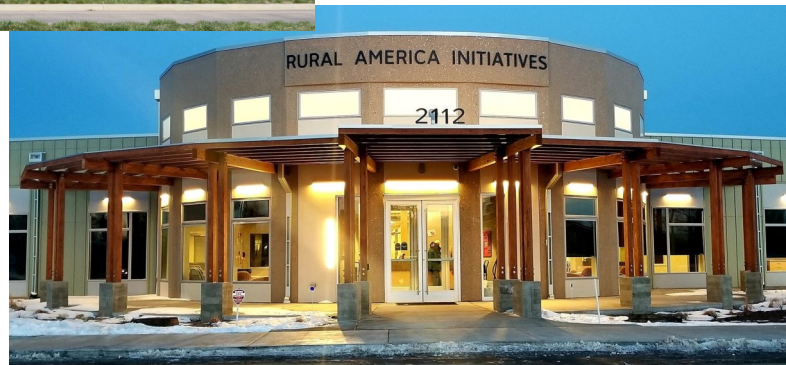
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CASE SUMMARY & MISSION STATEMENT

Rural America Initiatives (RAI) has been successfully serving at-risk Native American children and their families without interruption, through proven, effective educational programs in Rapid City, South Dakota since 1986.

In 2015 RAI launched a capital campaign to build a school, replacing failing modular and trailer buildings that had been in use for 30 years and were a decade past their useful lives. Thanks to the hard work of many and the deep generosity of our community, we opened our beautiful new school in January 2019. For the first time our administrative offices and classrooms are under one roof, and our Head Start and Early Head Start students are thriving in an inspirational and joyful environment.



Our Head Start programs are recognized nationally for their excellence. Because of that we have the opportunity to accept more children into our program. This is wonderful news, because there are currently many more children in need of our services that we do not have the capacity to help. In addition, the Covid-19 pandemic forced the closure of many day care centers here, resulting in an even greater need for our services. Rapid City's population continues to grow, with the Native population growing at a greater rate than non-Natives.

Our building is currently at capacity, and to serve more children we must expand.

Our building is in a circular design, reflecting a Medicine Wheel when the circle is completed. Growth was always anticipated, and the building and systems are designed to be expanded. In this campaign we plan to add 8 additional classrooms, extending the Wheel.



COST

Capital campaigns are never simple, and a campaign in this economic environment is particularly challenging. These are uncertain times of inflation, supply chain delays and a threatening recession. For that reason, and to be as fiscally responsible as possible, we have been extremely conservative in developing our budget. We have worked with contractors and architects to create the most realistic budget possible, including inflation and current market impact, resulting in an 8,650 square foot addition at a cost of \$330 per square foot. This includes an independent HVAC system for the addition.

Construction cost:	\$3,200,500
Contingency (12%)	384,060
Architect & Engineering (9%)	322,610
Furniture, Fixtures & Equipment	<u>150,000</u>
TOTAL COST	\$4,057,170



MISSION

Rural America Initiatives seeks to create community change by role modeling positive, healthy, alcohol and drug free lifestyles incorporating Lakota/Dakota cultural values. Families and children we teach now will have a lasting impact on future generations. We seek to strengthen individuals, families, and the Native American community in Rapid City.

WHAT WE DO

We are a Native American-led nonprofit organization breaking the debilitating cycle of poverty for Rapid City's most at-risk families through education for thirty-five years.

Head Start programs serve over 130 children ages prenatal to five and their families in Rapid City. We prepare poverty-level children to be kindergarten-ready with similar capabilities as children from more privileged backgrounds. **Ateyapi** (Lakota for "fatherhood") is a mentoring program serving 1000 students in the Rapid City elementary, middle and high schools. This program is responsible for increasing the high school completion rate for Native American students **from 37% in 2012 to 59% in 2015**. Last year **93% of seniors in the Ateyapi program graduated**.

WHY WE MATTER

RAI was formed to serve "transitional" Native American families—those who move from area reservations to Rapid City in search of greater opportunities— who often arrive out of sync with the school year schedule and are put on wait-lists for local Head Start programs and other services.



These are the families that fall between the cracks of traditional services, and they are most at-risk for alcohol and substance abuse, domestic violence, teen pregnancy and lifestyle-based preventable diseases such as childhood obesity and juvenile diabetes.

Head Start is a strong tool to address these serious problems at their root. Head Start children have a greater chance of graduating from high school, and Ateyapi continues the effort to keep children in school through graduation. Data indicates that children who do not graduate from high school are more likely to end up incarcerated, which puts a costly burden on a community.

RAI fills a critical gap in the social services ecosystem of Rapid City. Without RAI's programs a significant portion of the Native American population here would be unserved or underserved, putting greater stress on already strained social resources.



CREATING REGIONAL CHANGE

- RAI provides stable jobs to over 100 people, 90% of whom are Native American. In addition to their work, our staff makes positive contributions to our community and provides an estimated economic impact of \$22 million each year. Our priority is to nurture our client families with education and job skills training, and hire from within
- All of the families and children we serve are at-risk, with 100% of our children ages 0-5 living below the poverty level.
- Pre-covid RAI contributed approximately \$450,000 of mentoring time to the Rapid City Area Schools and has saved the District over \$300,000 in special education costs annually.



RAI's overhead costs are 10.1%. We are listed on Guidestar and complete an independent audit annually. Less than 1% of our annual operating funds are provided by the United Way of the Black Hills.

AND NOW WE MUST EXPAND!

To meet a rapidly growing need and serve more children, we must add eight classrooms to our building. Luckily, this was anticipated and the building is designed to be easily expanded. Electrical and plumbing systems are configured, and the building's end walls are constructed with this eventuality in mind.

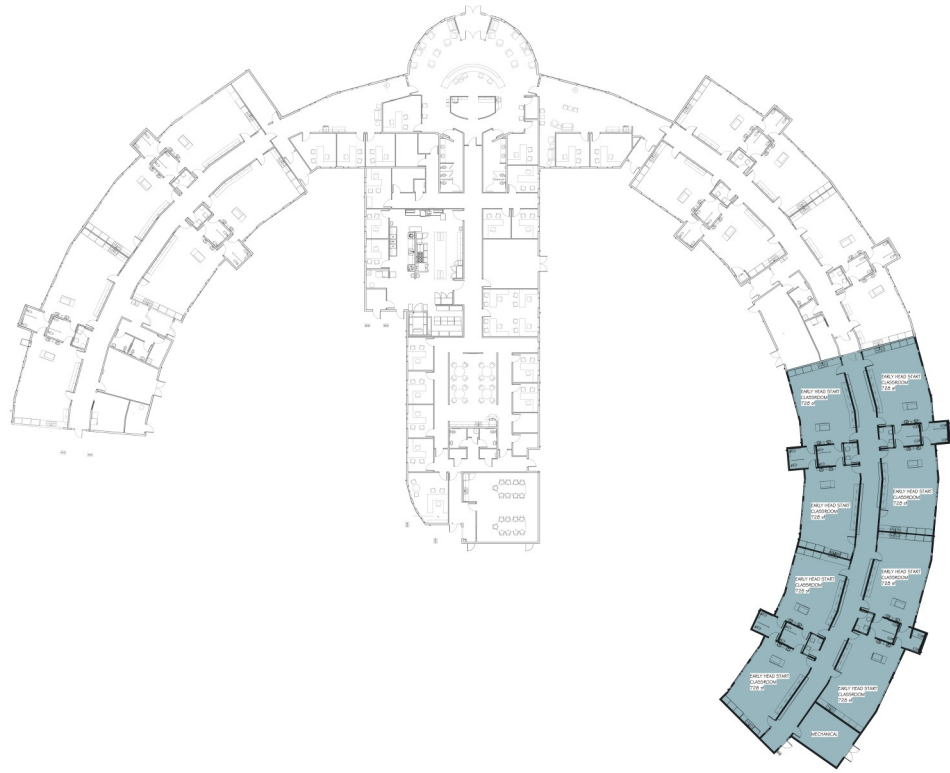
We had raised all but \$125,000 of our original \$7.2 million project. We had planned to add this to the expansion costs to create our new capital campaign. Before our campaign was officially launched, however, an anonymous donor stepped up to retire our mortgage, allowing us to begin this campaign debt free!

We are extremely grateful.

We do not require additional operational funds for the new addition. 100% of funds collected during this campaign will be used for construction.

The cost for eight classrooms,
including inflation, is estimated to be

\$4,057,170



RURAL AMERICA INITIATIVES
HE SAPA EARLY CHILDHOOD
SITE PLAN

SITE PLAN



WILLIAMS &
ASSOCIATES
ARCHITECTURE, INC.





PRELIMINARY BUDGET FOR EIGHT CLASSROOMS

PRELIMINARY CONSTRUCTION COST ESTIMATE



OWNER: RURAL AMERICA INITIATIVE - project #21-51
PROJECT NAME: RURAL AMERICA INITIATIVE - Early Headstart Addition
LOCATION: Existing Facility - Rapid City, SD
DATE: August 23, 2022
STUDY B: Add 8 Early Headstart Classrooms - North East and Existing Building

I. PROJECT DESCRIPTION		SF
A. Affected Building Area		8,650
1. New Construction	8,650 SF	
2.	SF	
3.		
	8,650 SF	

* 2021 Cost estimate = \$264.00/SF - Increase, 9% inflation, 8% small project, 8% current market impact =
 \$264.00 x 1.25 = \$330

II. PROJECT COST		
A. Land Value		\$0
B. Construction Cost		\$3,200,500
1. New Addition	8,650 SF @ \$330 =	\$2,854,500
2. Independent HVAC	8,650 SF @ \$40 =	\$346,000
3. Site Work - included in above	0 SF @ \$0 =	\$0
	Total:	\$3,200,500
C. Contingency/Miscellaneous	12% x \$3,200,500 =	\$384,060
	<i>Subtotal</i>	\$3,584,560
D. Architectural & Engineering Fee	9% x \$3,584,560 =	\$322,610
E. FFE Furniture, Fixtures, Equipment		\$150,000
	TOTAL	\$4,057,170

1. This Cost Estimate does not include communication technology (phones, intercom, computer network, etc.)
2. This Cost Estimate does not include finance costs.

2022-08-22_PCCE w-HVAC & FFE_CASE STUDY B

OUR LEADERSHIP TEAM

STEERING COMMITTEE



Paulette Davidson
President and CEO
Monument Health



Jack Kaup
CEO, Black Hills
Surgical Hospital



Jim Leach
Attorney



Bruce Long Fox
Executive Director
Rural America
Initiatives



Jack Lynass
President and CEO
Black Hills
Community Bank



Scott Reiman
Market President
First Interstate Bank



Jim Scull
Vice President
Scull Construction

OUR LEADERSHIP TEAM

BOARD AND STAFF

RAI BOARD

Carol Marshall-Coon, Chairperson, Enrolled member of the Crow Creek Sioux Tribe

Mary (Kati) Pechota, Vice President, Enrolled member of the Oglala Sioux Tribe

Jacquie Arpan, Secretary, Enrolled member of Oglala Sioux Tribe

Sharon No Heart, Treasurer, Enrolled member of the Standing Rock Sioux Tribe

Denise Murphy, Enrolled member of the Three Affiliated Tribes of North Dakota

Chuck Robertson, Jr., Enrolled member of the Cheyenne River Sioux Tribe

Kathy Lebonte, Enrolled member of the Red Lake Chippewa Tribe

RAI STAFF

Bruce Long Fox, Executive Director

Laura Lawrence, Executive Assistant

Alicia Washington, Accounting Clerk

Anne Reddy, Head Start Director

Priscilla Yellow Horse, Lakota Site Supervisor

Robert Yellowhawk, Assistant Business Manager

Deborah Gangloff, Development Consultant



OUR GOAL:

- The cost of operating our building, including the expansion, is covered by RAI's operating budget. No additional funding for operations is required.
- RAI's overhead is 10.1% and is covered by our operating budget. **100% of capital campaign contributions will go toward the expansion construction.**
- We have an independent audit completed every year, and are a member of Guidestar.
- We will submit a request to the Federal Head Start program to fund a percentage of construction costs. The balance must be raised from other sources.



EARLY CHILDHOOD EDUCATION IS CRUCIAL TO A HEALTHY COMMUNITY

“Investing in early childhood education is a cost-effective strategy for promoting economic growth.” “The highest rate of return in early childhood development comes from investing as early as possible, from birth through age five, in disadvantaged families.”

“Investing in early childhood education for at-risk children is an effective strategy for reducing social costs. Adverse early environments create deficits in skills and abilities that drive down productivity and increase social costs—thereby adding to financial deficits borne by the public.”

“Every child needs effective early childhood supports—and at-risk children from disadvantaged environments are least likely to get them. Poor health, dropout rates, poverty and crime—we can address these problems and substantially reduce their costs to taxpayers by investing in developmental opportunities for at-risk children.”

James J. Heckman is the Henry Schultz Distinguished Service Professor of Economics at the University of Chicago, a Nobel Laureate in Economics and an expert in the economics of human development.

YOUR RETURN ON INVESTMENT

12 current classrooms + 8 new classrooms = 20 classrooms

@ 15 children per classroom* = 300 children at any one time

X 40 years estimated life of the building = 12,000 children served

X 5 (average number of people per household impacted) = 60,000 people

That means that 12,000 children in Rapid City are:

- more likely to graduate from high school
- less likely to require social services and subsidies
- less likely to become teenage parents
- less likely to commit crimes
- less likely to be incarcerated
- more likely to be employed
- more likely to make positive contributions to our community



*Head Start requirements limit classroom size to 15 children and requires 35 square feet per child.



OUR FUTURE IS OUR CHILDREN. THEIR HOPE IS YOU!
DONOR RECOGNITION CLUBS

Wanblee (Golden Eagle)	\$1,000,000+
Tatanka (Bison)	\$ 500,000 - \$999,999
Mahto (Bear)	\$250,000 - \$499,999
Igmu Tanka (Mountain lion)	\$100,000 - \$249,999
Hehaka (Elk)	\$50,000 - \$99,999
Sungmanitu (Wolf)	\$25,000 - \$49,999
Sunka Wakan (Horse)	\$10,000 - \$24,999
Sungila (Fox)	\$1,500 - \$9,999

Naming opportunities are also available.

Contributions may be pledged over as many as five years, and we welcome donations in the form of cash, stock, mutual funds, or real estate.

WE ARE GROWING! WILL YOU HELP?



You may donate through our website at www.ruralamericainitiatives.org.
Checks should be payable to Rural America Initiatives or RAI, and sent to our office at
2112 South Valley Rd., Rapid City, SD 57703.

To make a pledge, schedule a tour or for more information please contact

Deborah Gangloff at dgangloff@rushmore.com or

Bruce Long Fox at 605-341-3339.

Please tag “Capital Campaign” in your message.

THANK YOU!

Rural America Initiatives 2112 South Valley Rd. Rapid City, SD 57703 605-341-3339

RAI is a 501 (c) 3 charitable organization. Your donations are tax deductible as allowed by law