

The State of the School: A Strong and Thriving Community



John Gulla
Head of School

“Given what has been happening in the economy, how is Blake doing?” We heard this question or some close variation asked more frequently this past academic year than any other. Major financial institutions have vaporized, markets have experienced historic dislocation, the value of essentially all asset classes has plummeted, and a profound and lasting

credit crisis and burst housing bubble in the United States have plunged the world into a deep and uncertain economic recession. “How is Blake doing?” Incredibly well, considering.

Even as we ended the previous (2007–08) school year, some of the economic storm clouds were gathering. We often feel the leading edge of difficult economic times first in the requests we receive for financial aid and then, later, in admission. Even as we prepared the final 2008–09 Blake budget, we tried to anticipate some of the challenges that did, in fact, unfold. This 109-year-old school is built to last, and all decisions and projections are made with the long view in mind. Careful planning, thorough budget analysis, thoughtful choices and broad and generous support from all constituents are all helping us weather this storm as our school has weathered others that have occurred over the last century.

Blake has a rich and instructive history. In mid-October, we turned to our archives to see how Blake and Northrop had navigated the financial crisis during the Great Depression. Enrollment in both schools was stable throughout 1929–32. It was only in the 1932–33 school year that both Blake and Northrop first experienced significant declines in enrollment. Before things stabilized, Blake would lose almost 15 percent of its enrollment and Northrop almost twice that.

Admission is the measure we watch most carefully these days, and we’re pleased to tell you that Blake opened

with an all-time high in enrollment last fall with 1,389 students. This piece is being written in mid-June, and we expect our enrollment to be the same for next year. That has been our plan. We feel that just under 1,400 is the optimum Blake enrollment. We expect to manage enrollment to this number. We experienced a lower attrition from 2008–09 to 2009–10 than expected, and we enjoyed the same high level of interest and the same extraordinary level of talent in the pool of new applicants as we have in recent bumper years. We’re pleased to report that the economy has not forced us to “downsize.”

The Blake Board of Trustees was resolute in its support for two guiding principles as we steered the ship of Blake through these rough economic waters. We wanted to preserve enrollment, and we wanted to preserve employment. All who care about Blake recognize that

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the people of our community are central to our success. We are very proud to be able to tell you that we were successful on both counts. We were able to increase our financial aid budget to meet the need of families who’d experienced sharp financial reversals and therefore could no longer pay the school’s tuition, and we adjusted expenses where we could in order to balance our budget without laying off any of the faculty or staff, who have devoted themselves to the

students and work of this school.

We did use the challenges of a difficult economy to pursue some efficiency in areas of our operation that did not adversely affect the experience of our students. We tried to rely more on technology, we turned a critical eye to some unnecessary programs, and everyone at Blake pitched in to try to do more with less.

Our endowment did take a hit, seeing a loss of almost 30 percent from its peak in October 2007 to the trough in early March 2009. Please do keep in mind that while much of the loss reflected is in depressed valuation of the assets held, we also draw 4.5 percent of a three-year trailing average annually as operating revenue. Put another way, if you assume inflation of 2.5 percent annually and a draw rate of 4.5 percent, our investments need to return 7 percent per annum for us just to tread water. These losses hurt, but because only 6 percent of

our annual operating income comes from our endowment draw, we haven't experienced the acute pain of some colleges and universities (and some boarding schools) that may rely on as much as 40-plus percent of their annual operating budget coming from their endowment draw.

The oft-used metaphor of an ocean liner turning a slow, smooth arc in its course is an apt one for school planning. Blake's Finance Committee and Board scrutinized all areas of the budget during the late fall and early winter and, in the end, approved the lowest tuition increase from one year to the next (3.8 percent) at the School since the merger in the early 1970s. This is a rate of tuition increase as close to projected inflation as we can manage, and we expect to see this rate of annual increase plateau for the foreseeable future. We had been planning on a steady 10 basis point increase in the percentage of tuition and fee revenue we commit to financial aid aiming over a period of years to reach 13.5 percent. We instead leapt to that number for 2009–10 to meet the immediate need of our community. From its earliest era, this school has been committed to making itself accessible to the strongest, most talented students in the Twin Cities without regard to families' ability to pay.

In spite of all of the financial challenges outlined above, 2008–09 was a spectacularly successful year at Blake and a bellwether of our second century. Our students and faculty are fully engaged in the challenging, rigorous course of study we offer at all 14 grade levels. We continue to plan for our future, and the Board of

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Trustees approved in March a long-term master plan for the buildings and grounds on the Hopkins campus. This was a two-year planning effort that tried to look ahead some 25 to 50 years and imagine how the almost 60 acres and 200,000 square feet under roof on the Hopkins campus might be developed in the years to come to best support our students. Our athletic teams continue to win state championships. In fact, Blake is the winner of the Class A Challenge Cup for 2008–09. In the last five years, Blake has finished first three times and second twice in this state-wide award given by the Minnesota State High School League to recognize overall excellence in co-curricular activities. Just as I was writing this I learned that two of our sophomores took second place in the

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so honored in the United States, and we were the only school in Minnesota and the only non-public school to be so recognized. Our seniors continue to gain admission (see pages 16–17) to many of the most selective colleges and universities in the country, and the strong traditions that have guided the work we do at Blake for the last century continue to point the way to our future.

We are implementing exciting new initiatives in the area of technology, a few of which allow us to economize in some areas of the budget. The extended Blake community continues to rise to heartening levels of support when the call goes out. Parents, alumni, employees, grandparents and other friends have dug deep and committed to support for the Annual Fund. In early 2007, we set the 2008–09 Annual Fund goal at \$2.1 million. Even as other similar schools are finding themselves running 10 to 20 percent behind in their Annual Fund goals, we still have, in mid-June, this ambitious number of ours within our reach! We have also been able to raise almost \$2 million for the faculty fund that will, come June 2010, allow us to begin to implement the new model of compensation for faculty, which will include a performance-based component.

Ours is a school that not only will survive the current economic crisis, but we are a community that will thrive. As a result of our alumni, parents, faculty, Board members and friends — all of whom care deeply about education and the difference we can make in the lives of those we serve — all of us who work at Blake are given the support we need and the chance to do our best to live up to the aspirations of our mission, to be true to our core values and to do our very best by each and every one of our students.



John Gulla
Head of School



Karen Grabow, Chair
Blake Board of Trustees



*Karen Grabow,
Board of Trustees Chair*

The Blake School is pleased to welcome four new members to the Board of Trustees. Their terms begin this fall.

Andrew Humphrey '78

Andrew and his wife, Alison, have three children — Clare '08, George '11 and Grace '15. He is a partner with the law firm Faegre & Benson, where he has worked for 22 years and currently serves on the Management Committee. Prior to this, he clerked for the Honorable Frank Easterbrook of the U.S. Court of Appeals for the 7th Circuit in Chicago. Andrew currently serves on the Board of Trustees of Lakewood Cemetery. He was the mayor of Wayzata from 2005 to 2008, during which time he served on the Executive Committee of the Regional Council of Mayors. Previously, he served on the Wayzata City Council and was on the Board of Directors of MNBIO, St. Mark's Episcopal Cathedral Foundation, Minnesota Academic Excellence Association, Project for Pride in Living Inc. and HealthSystem Minnesota Foundation, as well as on the Visiting Committee for the University of Chicago Law School. Andrew earned his B.A. from Amherst College and a J.D. from the University of Chicago Law School. "I am honored to join the Blake Board of Trustees. I care deeply about Blake, both as an alumnus and a parent," Andrew says. "It provided me with a challenging and inspiring education and had a significant impact on my life. In these difficult economic times, excellence in education will be even more important for our entire community, and I look forward to helping the School preserve and enhance that excellence."



Committee, a MacPhail School of Music trustee, a member of the Minneapolis United Funding Advisory Committee and serves on the Membership Committee of the Minnesota Keystone Program. Kate is a past trustee and parent association chair of the Seattle Country Day School and was a trustee of New Discovery Preschool in Seattle, Wash. She has a B.S. in broadcast journalism from Boston University. "My desire as a Blake trustee is to reflect the mission and values of the School in planning and governance," Kate says. "Guided by the School's time-tested principles of respect, love of learning, integrity and courage, I look forward to giving my best for Blake's strong future."

Hussein Samatar

Hussein and his wife, Ubah Jama, have three children — Hanad '14, Habon '22 and Harun (age 9). He is the founder and executive director of the African Development Center, an entrepreneurial nonprofit working within the African communities in Minnesota to start and sustain businesses, build wealth and promote community reinvestment. In this role, he has created several culturally targeted alternative finance products and frequently addresses financial, governmental and other community institutions on the topic of building wealth in emerging markets. Previously, he was a commercial banker with Wells Fargo and Norwest Banks. Hussein currently serves on the boards of several development and civic organizations, including the Minneapolis Foundation, CommonBond Communities and the Dean's Advisory Board of the Humphrey Institute at the University of Minnesota. Previously, he held a two-year term as the Minneapolis Public Library Board's Finance Committee chair. A Humphrey Institute Policy Fellow in 2003–04 and a German Marshall Memorial Fellow in 2007, Hussein earned an M.B.A. from St. Thomas University. He speaks five languages. "Blake is an amazing institution in many ways, and I hope to help continue its excellent legacy in educating all of our students to reach their fullest potential," Hussein says. "We are living in an increasingly interconnected and intertwined world, thus Blake's mission and values are more relevant than ever before. And our students' success academically and socially depends on how well we prepare them for the world that they will inherit."



Kate Mortenson

Kate and her husband, David C. Mortenson '84, have three children — Jack '15, Norah '16 and Charlie '19. Kate is an independent consultant, advising nonprofit organizations on their program strategies and initiatives. Currently, she is working with an early childhood education nonprofit to advance early childhood education policy in Minnesota. She has 10 years of leadership experience with community organizing and coalition building in education, public safety, and parks and open spaces. Prior to her independent consulting, Kate was a managing editor for Conus Communications, a division of Hubbard Broadcasting. She also has served in the United States Peace Corps in the Comoros Islands. She is a current member of the Blake Advancement



Susan Wolf

Susan and her husband, Gene Borgida, have two children Alex '17 and Jake '17. She is McKnight Presidential Professor of Law, Medicine & Public Policy, a Faegre & Benson professor of law, a professor of medicine at the University of Minnesota and a faculty member in the University's Center for Bioethics. She is founding director of the University's Joint Degree Program in Law, Health & Life Sciences and founding chair of the Consortium on Law and Values in Health, Environment & the Life Sciences. Before joining the U of M faculty in 1993, she was a fellow in the Program in Ethics and the Professions at Harvard University. Susan has served on a variety of governmental and institutional panels, including the American Bar Association Coordinating Group on Bioethics and Law, American Society of Reproductive Medicine Ethics Committee, and Memorial Sloan-Kettering Cancer Center Ethics Committee. She has acted as advisor on topics to the U.S. Congress's Office of Technology Assessment, American Medical Association and others. She is an elected fellow of the American Association for the Advancement of Science and of The Hastings Center, as well as a past member of the American Society for Bioethics and Humanities Board of Directors. Her research has been supported by the National Institutes of Health, National Science Foundation and private foundations. Susan received her A.B. summa cum laude from Princeton University and her J.D. from Yale Law School. "I very much look forward to serving on the Blake Board of Trustees. Education has been the foundation and focus of my career, as a teacher, scholar and researcher," Susan says. "I care deeply about educating our children and preparing them to contribute and learn throughout their lives. It will be a pleasure to collaborate with other members of the Blake community to fulfill the School's mission of providing an excellent education in a diverse and supportive community."



As they retire from the Board,
Blake recognizes
Varadarajan "V.V." Chari
and
Edmund Chute '70
for their commitment to and support of
the School. *Thank you!*

School Leaders Reunite and Renew Connections

Blake hosted two events this spring that brought back to campus its former leaders, who have done substantial and important work on behalf of the School, to reunite and witness the results of their efforts.



Blake's former Parent Association presidents gathered for a luncheon in the Bovey Chapel this April. Pictured, front row, L to R: Margene Fox, Carole Lee Randall, Ellen Hoeg (current president), Asta Gersovitz, Sue Erickson and Celia Davis. Back row, L to R: Ellen Rusin, Kit Schmoker, Sally Overstreet Herfurth '68, Betty Ann Wiens, Yvonne Dorsey, Jane Mortell, Etta Barry, Wendy Hitch, Leslie Carpenter, Peggy Weber and Head of School John Gulla.

Former trustees attended a reception held in their honor at Highcroft in May.



Pictured, L to R:
Connie Remele,
Head of School
John Gulla,
Katie Pearson
and Kris Erickson



Current trustees
Norm Rickeman
(far left) and
Susan Horovitz
with former
trustee Sandy
Donaldson '73



Gary Tankenoff
and Mary
MacPhail Taylor
'51

The Class of 2009 Gives Back with Senior Class Gift

The Blake class of 2009 has enjoyed many successes in its senior year — National Merit awards, state athletic championships and state and local recognition for artistic performances. One additional success isn't garnering a trophy, ribbon or widespread recognition, but it does promise to leave a lasting impact on all Blake students. It is this year's senior class gift, which members of the class of 2009 have directed to support Blake's financial aid fund.

Senior class president Rachel Neil explains the decision: "The current economic climate made our class realize the direct impact financial aid has on all the students here at Blake. Our class has benefited immeasurably from Blake's generous financial aid program, and we wanted to ensure that current and future classes at Blake receive that same benefit."

This spring, the seniors held a dance-a-thon and sought pledges from peers, parents, faculty and each other. The event helped raise \$5,096, which the class presented to the School just before graduation. Every dollar of the



Rachel Neil presents to Head of School John Gulla the senior class gift, which will support financial aid at Blake.

money raised will directly benefit current and future Blake families, helping to ensure that all students have access to a Blake education.

Thank you to the class of 2009 for your generous gift and for all you have done to make this school year such a great success!

Passing the Baton: 2009–10 Bettels Scholars Selected

For more than 16 years, the Bettels Scholarship Committee has had the honor and privilege of awarding the Bettels Scholarship to one or two outstanding young student-athletes. The most challenging part of the selection process each year? Having to decide between so many talented nominees!

The 2009–10 scholar selection process was even more challenging because, for the first time ever, the Bettels Committee was able to select a total of four scholars

(two from the class of 2010 and two from the class of 2011). The ability to award four scholarships is a true testament to the support of the Bettels Committee and the hundreds of donors who contribute each year to making this program a success. Undoubtedly, Chub Bettels would be pleased to see his dream of having four named scholars realized.

This May, **David Poindexter '95**, a former Bettels Scholar and a member of the selection committee, was proud to

pass the baton from current scholars **Jessica Abrego '09** and **David Brenton '09** to **Phillip Jean-Baptiste '10** and **Cindy Zhang '10** as well as **Malcolm Kelner '11** and **Sarah Carthen Watson '11**.



Phillip Jean-Baptiste '10



Cindy Zhang '10



Malcolm Kelner '11



Sarah Carthen Watson '11

All four scholars impressed the committee with commitment to their teams, strong community service work and peer leadership. Cindy, Phillip, Sarah and Malcolm now join a

distinguished group of 21 talented and motivated young men and women. Many former scholars remain in contact with the committee, and three of them are members of the Bettels Committee — **Poindexter, Cassidy Johnson Steiner '96** and **Lindsay Townsend Youngdahl '98**. New and former scholars as well as current donors and the Bettels Committee unite each August at the Scholars Picnic to share news, welcome new members and promote the spirit of Chub Bettels and the values of hard work, sportsmanship and "The Team, The Team, The Team!"