



Gaining Ground:

The Journey Begins

2001 Annual Report

BellSouth Foundation

MISSION:

BellSouth Foundation's mission is to improve education in the South and other communities where BellSouth operates by stimulating fundamental change in education institutions and systems that will result in active learning and improved life chances for all students.



The Journey Begins

Education is a journey. Each new step in learning builds on knowledge gained and lessons learned before. On this journey, however, there is no endpoint or final destination. Learning is a continuing drive to gain ground, fueled by a curiosity to discover yet one more thing and to master one more skill.

For those like BellSouth Foundation who strive to ensure that educational opportunities are available for all, this quest is another kind of journey. Our journey focuses on ways to help our fellow travelers — students, educators, parents and others — navigate their way and energize their steps. The BellSouth Foundation not only provides funds and technical assistance, but also offers encouragement, networking opportunities and a sense of shared comradeship that are crucial for continual improvements in education. Our goal is to facilitate the education quest of those we seek to serve.



Introduction

Journeys are begun with anticipation and hope. We look forward to the activities we have planned, the people we will encounter and the discoveries yet to be made. Journeys promise the unknown and the unexpected; there may be surprises along the way that no amount of planning could have predicted. We grow as we deal with all these new experiences.

BellSouth Foundation begins a new journey each time it launches a five-year plan. At the start of 2001 we embarked on the journey called Gaining Ground. On this journey, we promised to dedicate ourselves to forging new paths in certain areas of education reform; we also hoped to be able to close some of the divides hampering success of some of our students and communities.

The year 2001 has seen both progress and disappointment on the first leg of our journey. We were able to follow the itinerary set during our meticulous Year 2000 planning process, in part. As detailed in this annual report, we launched our new web-based Opportunity Grants and were able to award an exemplary, if small, group of grants. We also began to forge some of the new paths we had mapped out. We are especially proud of our BellSouth Proniño program now in ten Latin American countries, which we feature in this report. This program is clearing new paths toward a brighter future for some of Latin America's forgotten, working children; it also has set our foundation on a new path in the way we work hand-in-hand with our BellSouth colleagues in these countries. Yet another new path was forged with Power to Learn, begun in 2001 as the third phase of BellSouth edu.pwr³. Four schools were selected as Power to Learn sites and are engaged in an intensive, learning-through-technology adventure.

Another part of our itinerary for 2001 was to begin to close some of the divides, or gaps, among groups of students that prevent the South as a whole from fulfilling its potential. As promised, we launched our College-Going Minorities initiative with an RFP distributed in the fall. Those brand new grants are announced in this report.

But there were bumps en route as well, and as a result our pace on this journey has been slowed. The economy proved to be not just a bump but a hurdle. The shock to our nation's psyche from the events of September 11 also prompted us to stop, reflect and re-assess our momentum. While we were unable to launch another new initiative this year, we were able to put resources toward producing *Helping America Cope*, a manual for children and families, as they work together on dealing with anxiety produced by 9-11 and its aftermath.

Now, our journey continues. Our goal is still in sight. Though our route may have altered a bit from the original itinerary, our feet are set in motion and our progress is only forward.



Leslie Graitcer
Executive Director
BellSouth Foundation

A Partnership

BellSouth has had a presence in Latin America since 1989. In that time, our affiliates have become a fully integrated part of the communications landscape in eleven countries. While strong supporters of the communities they serve, our Latin American affiliates had not previously united their efforts across the region to make a greater impact. In 2001, in partnership with BellSouth Foundation, BellSouth Latin America and its affiliates set out to become recognized as exemplary corporate citizens, as well.

The BellSouth Proniño program is now fully operational in ten countries — Argentina, Chile, Colombia, Ecuador, Guatemala, Nicaragua, Panama, Peru, Uruguay and Venezuela. As explained in the feature story on pages 4-7, BellSouth Proniño targets the many children who, for family and economic reasons, are working on the street or at home rather than going to school. This is a huge issue in most of Latin America, and a serious impediment to the future of these countries that depend on a literate and well-trained population for growth and stability. BellSouth is proud to be raising awareness and developing civic leadership by taking an active, hands-on role in finding the solution to this problem and by providing direct assistance to more than 7000 children in these countries.

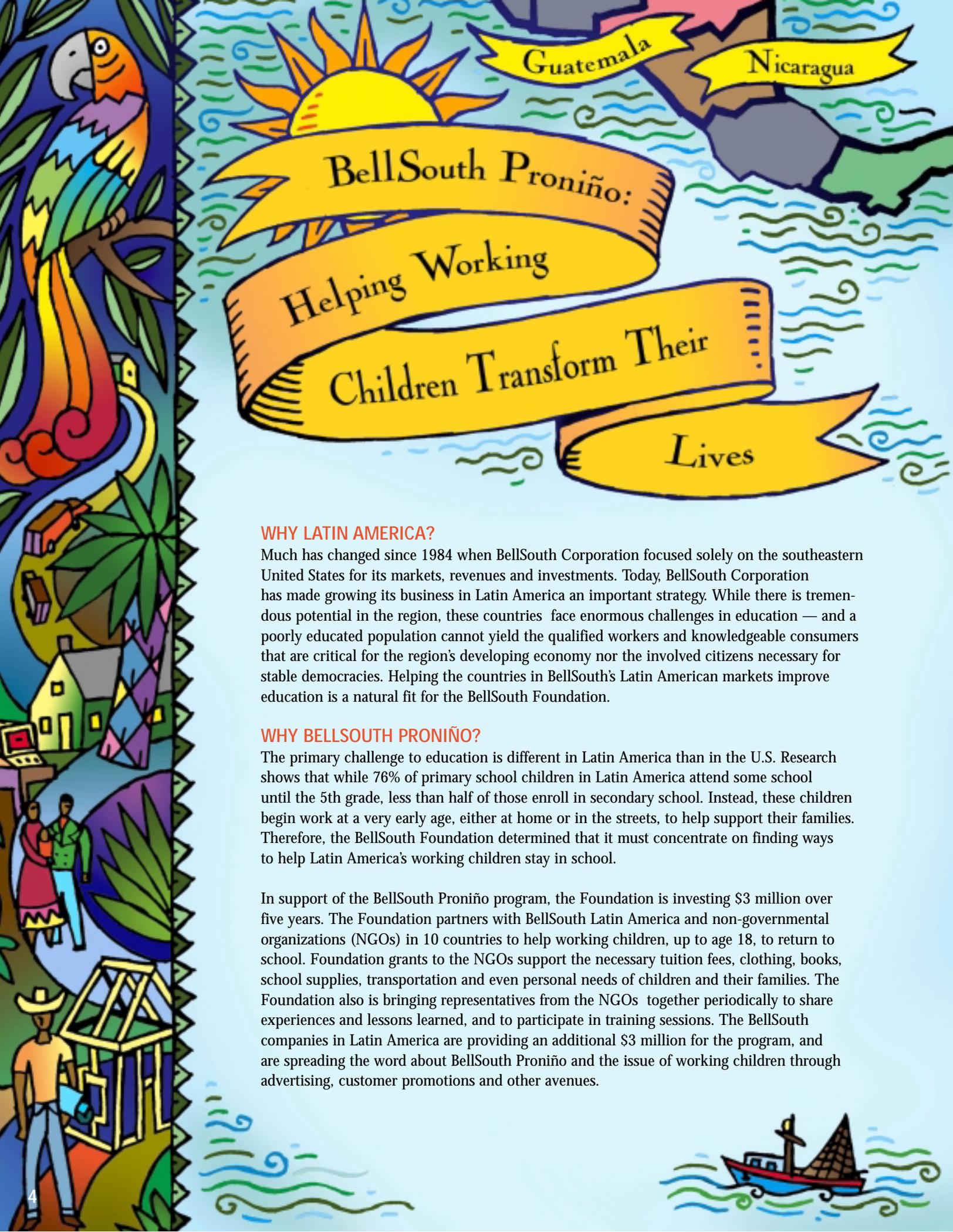
As BellSouth Latin America continues to play a role in helping grow the economies in Latin America, BellSouth Foundation's support helps ensure that the children in the countries served by BellSouth Proniño will become contributing members of these growing economies. I believe that this partnership between corporate mission and philanthropic vision creates benefits for everyone involved. The BellSouth Proniño partnership is a shining example of the two-way relationship between our company and the communities we serve.

Ralph de la Vega
President
BellSouth — Latin America



BellSouth Proniño





WHY LATIN AMERICA?

Much has changed since 1984 when BellSouth Corporation focused solely on the southeastern United States for its markets, revenues and investments. Today, BellSouth Corporation has made growing its business in Latin America an important strategy. While there is tremendous potential in the region, these countries face enormous challenges in education — and a poorly educated population cannot yield the qualified workers and knowledgeable consumers that are critical for the region's developing economy nor the involved citizens necessary for stable democracies. Helping the countries in BellSouth's Latin American markets improve education is a natural fit for the BellSouth Foundation.

WHY BELLSOUTH PRONIÑO?

The primary challenge to education is different in Latin America than in the U.S. Research shows that while 76% of primary school children in Latin America attend some school until the 5th grade, less than half of those enroll in secondary school. Instead, these children begin work at a very early age, either at home or in the streets, to help support their families. Therefore, the BellSouth Foundation determined that it must concentrate on finding ways to help Latin America's working children stay in school.

In support of the BellSouth Proniño program, the Foundation is investing \$3 million over five years. The Foundation partners with BellSouth Latin America and non-governmental organizations (NGOs) in 10 countries to help working children, up to age 18, to return to school. Foundation grants to the NGOs support the necessary tuition fees, clothing, books, school supplies, transportation and even personal needs of children and their families. The Foundation also is bringing representatives from the NGOs together periodically to share experiences and lessons learned, and to participate in training sessions. The BellSouth companies in Latin America are providing an additional \$3 million for the program, and are spreading the word about BellSouth Proniño and the issue of working children through advertising, customer promotions and other avenues.



Panama

Venezuela

Colombia

Ecuador

Peru

Chile

Uruguay

Argentina

BellSouth Proniño

BellSouth Proniño at Work

ARGENTINA

- NGO: Asociación Conciencia, formed in 1982 to promote democracy and encourage civic participation
- 880 children served in seven schools around the country

Conciencia focuses its program on children under age 13 who attend public schools in poor neighborhoods. Many of these children were collecting items for recycling rather than receiving an education. A local pharmaceutical company has also become a partner, providing free health screenings for the children. Executives of Movicom-BellSouth make it a point to generate interest and support for the program by highlighting it in every presentation they make.

CHILE

- NGO: Consejo de Defensa del Niño, created in 1934 by governmental decree to assist at-risk children through psycho-social education programs
- 160 children in four cities

Consejo's community center-based program assesses each child's individual needs, and then delivers the necessary services. Children served are in junior high school or younger. BellSouth gets customers involved by allowing them to earn points from cellular phone use that can be traded for either prizes or "a meal for a BellSouth Proniño child." As a result, children in the program are receiving breakfasts thanks to BellSouth customers.



Craig Jenkins



David Wolf

COLOMBIA

- NGO: Fundación Mario Santo Domingo, founded in 1960 to promote the well-being and development of the country
- 720 children in five cities.

The Fundación provides academic instruction and vocational training (such as construction trades) to young adolescents. This program commissioned an original BellSouth Proniño song that now appears on a promotional CD for the Proniño program. Colombia's first lady has provided valuable support and wants to replicate the program in more locations. BellSouth organized a promotion at Christmas time to deliver shoeboxes filled with personal and school supplies for the children.

ECUADOR

- NGO: Instituto Nacional del Niño y la Familia (INNFA), established in 1960 to expand educational opportunities for working children
- 2300 children served

This program is the "original Proniño" program that served as the prototype for the other countries. BellSouth has used a cellular pre-paid card campaign to generate interest and extra income for the program, as well as creating a public awareness campaign with large posters on display and full-page ads in the local newspaper (as in the other countries).

GUATEMALA

- NGO: Fundación para el Desarrollo Rural (FUNRURAL), created in 1994 to promote and execute social programs in disadvantaged communities.
- 900 children served in twenty schools

A unique aspect of this program is the special training in music as a teaching tool that the teachers receive. As a result, these rural students have formed a chorus that has performed in cities. BellSouth employees organized visits to a children's museum while the students were in the city. The Fundación receives supplemental grant support from the government. BellSouth also has provided special Christmas shoeboxes filled with school supplies, toiletries and gifts for the children (as did several countries).



Rainer Ehrlert



Ricardo Funari/SocialPhotos

NICARAGUA

- NGO: Save the Children, USA to create positive and lasting changes in the lives of needy children around the world.
- 500 children

This program was the last to be launched in early 2002 and, as in the other countries, it will provide school supplies, uniforms, family meetings and so on, to reinforce the children's staying in school. BellSouth has provided 150 desks and chairs to students and teachers in one school in the capital city Managua.



PERU

- NGO: Centro de Estudios Sociales y Publicaciones (CESIP), established in 1976 to work toward the development and empowerment of women, children and adolescents
- 1325 children served in ten schools

CESIP had been working with younger working children for years, and the BellSouth Proniño program has enabled them to add adolescents and a vocational training component to the program. As elsewhere, BellSouth has created and displayed posters locally to publicize the issue of working children and to draw further support for the CESIP program.

URUGUAY

- NGO: Asociación Civil Guirses Unidos, formed in 1989 as an advocate of the social welfare of children and adolescents.
- 115 children served directly with some services also offered to their siblings

Guirses Unidos provides services through 15 schools and two after-school centers, and has parents sign contracts to assure their support. The children receive academic tutoring and are taught crafts that can be useful later for generating income. Meals and showers are also provided in the after-school center. Movicom-BellSouth organized a Christmas holiday event for the children.



David Wolf

VENEZUELA

- NGO: Asociación Ayuda a un Niño provides nurturing education opportunities for children working and/or living on the streets.
- 50 children served

This residential program offers a safe place for children with less stable homes. Children participate in learning activities, social games, and arts and crafts; the NGO then sells the crafts made by the children to promote the program. Telcel-BellSouth has done extensive fundraising through golf tournaments.



Craig Jenkins



PANAMA

- NGO: Casa Esperanza, founded in 1992 to offer opportunities for human development to working children living in high-risk situations.
- 300 children

Casa Esperanza operates as an after-school program for children who have been recruited right off the street. BellSouth employees organize birthday parties, outings and other support for the children.



Craig Jenkins



Gaining Ground in the Southeastern U.S.

In addition to BellSouth Proniño in Latin America, BellSouth Foundation embarked on a number of other challenging new initiatives in the Southeastern U.S. These programs are targeted either at closing the divide for student learning and community well being, or at forging new paths of opportunity for educators and students. Some of the following programs have been launched and some are still in the planning stages, but all are an important part of gaining ground in education.

CLOSING THE DIVIDES

For disadvantaged high school students:

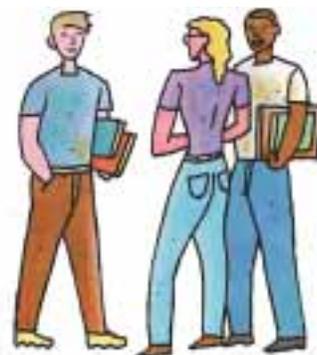
High schools have been left out of much of the region's education reform efforts. As we continue to plan this initiative, BellSouth Foundation is working to create interest in new models for high schools where students will be engaged and successful. In 2001 we sponsored convenings on the topic with two of our partner groups, the Columbia Group and the BellSouth Superintendents Leadership Network, and also with other foundations and the Aspen Institute, to encourage their active involvement and investment in the Southeast on this issue.

For college-going minorities:

Although minority enrollment in higher education has increased in the last decade, graduation rates have not kept pace. In the fall of 2001, the Foundation issued an RFP to colleges and universities that have a demonstrated interest in helping minority students achieve graduation. Fifty-four public, four-year colleges and universities, private colleges and two-year schools responded to our call. An expert Review Panel helped us identify those with the most evidence of 1) solid commitment from the administration and faculty; 2) scaling up proven academic and social support programs, and 3) creative yet pragmatic solutions to some of the hard issues facing minority students in both predominantly white colleges and historically African-American schools. The new grantees are listed on page 11.

For technologically-disadvantaged communities:

The digital divide affects whole communities, not just individuals, and bridges education issues with economic development concerns. We are learning that an important part of the "divide" is in equity of content and relevance, not just access. This is an issue where active collaboration across all parts of BellSouth Corporation will be important, and we are working now to build that collaboration as well as to define the Foundation's response to this priority.



FORGING NEW PATHS

For teachers and education leaders:

School superintendents routinely provide development for their staffs but rarely receive it for themselves. The BellSouth Superintendents Leadership Network (created by the Foundation and the Center for Leadership in School Reform) gives school district leaders new resources and networking contacts to help improve their leadership skills for district-wide school reform. Twenty-nine new members joined the Network in the summer of 2001 and attended their first Network Institute in Research Triangle Park, NC in October. The Network has launched new district-based activities in the areas of principal development, school board and central office relationships, and technology innovation. Members of the newest class are listed on page 11.

More and more, new teachers are leaving the profession within the first five years, after experiencing frustration and “burnout.” To reverse this trend, the BellSouth Foundation has proposed a Teaching Quality initiative focused on district-based redesign of how new teachers are inducted, mentored, supported and developed to help them become successful and lasting. For our partners, we are looking to the many local education funds and similar groups that now serve as both grassroots supporters and critical friends of public schools districts. In 2001 we began planning a Southeast Education Symposium with SERVE, the federal education laboratory for the region. The Symposium took place in early February 2002 with over 80 participants from local education funds and like groups. Also joining us at the Symposium were advisory board members for the Southeast Center on Teaching Quality. (SECTQ was created in 1999 with a \$300,000 seed grant from BellSouth Foundation and now generates \$2.5 million in new investments for teaching quality research and policy initiatives in every state in the South.)

For technology and learning:

BellSouth edu.pwr³® continues into its exciting third phase: Power to Learn. In 2001, we chose four schools (see page 11) as prototype environments to study how learning really changes when technology innovation is in place and infused throughout all parts of the instructional process. Teachers in these schools are busy learning and discussing *How People Learn*, edited by John Bransford, for their own professional development. Researchers Ted Hasselbring and Candyce Williams-Glaser visit often to observe and record the student/teacher interactions and the evidence of learning. The George Lucas Educational Foundation joins BellSouth Foundation as a partner on Power to Learn and will be shooting video in the schools to present as streaming media on the Internet for others wanting to learn from and replicate the experience.

The BellSouth Proniño program highlighted on pages 4-7 of this report is also part of the Foundation's efforts to forge new paths.

2001 Opportunity Grants and Initiative Awards

Along with its other initiatives, the BellSouth Foundation awards a limited amount of Opportunity Grants each year to organizations that offer promising solutions to education challenges within the Foundation's priority areas. For complete Opportunity Grant guidelines or to apply, please visit www.bellsouth.com/foundation. Grant applications MUST be submitted through this Web site.

2001 OPPORTUNITY GRANT RECIPIENTS

Birmingham City Schools <i>Supports the Birmingham City Schools teacher development plan developed with the Busara Group, an organization that facilitates organizational improvement around learning goals in large urban school districts.</i>	Birmingham, AL	\$65,000
Charlotte-Mecklenburg Schools <i>Helps launch the New Teacher Support Collective, a program that will be used to support beginning teachers with full-time mentors and other help.</i>	Charlotte, NC	\$75,000
Chattanooga State Technical College <i>Supports the opening of Middle College High School that provides a non-traditional learning setting and college courses designed for students with potential who are currently achieving below their level.</i>	Chattanooga, TN	\$50,000
Duke University <i>Supports the University's effort to combine the Early Matriculation Program, the African-American Peer Mentor Program, and the Undergraduate research program into one strategy for increasing minority student success.</i>	Durham, NC	\$75,000
University Center of Greenville <i>Funds the Collaborative Instructional Technology Exchange (CITE), a technology supported curriculum aimed at improving learning and achievement among at-risk students.</i>	Greenville, SC	\$75,000
Palm Beach Atlantic College <i>Funds the "What Works" project, a student survey on learning involving Palm Beach County students in grades 4-12.</i>	Palm Beach, FL	\$49,000
Council for a Better Louisiana <i>Funds a statewide communications and advocacy effort in support of improvements in teaching quality.</i>	Baton Rouge, LA	\$50,000
Public School Forum of North Carolina <i>Expands the North Carolina Institute for Education Policymakers to help legislators, state board members and other policy makers have better knowledge about education issues.</i>	Raleigh, NC	\$100,000
Tennessee Tomorrow <i>Supports a public awareness program focusing on education improvement in the state, resulting in effective education legislation.</i>	Nashville, TN	\$50,000
University of Miami <i>Supports the production and printing of a guide for families, "Helping America Cope."</i>	Miami, FL	\$25,000
DeKalb County Schools <i>Funds BellSouth Educator of the Year 2001.</i>	Decatur, GA	\$2,500

COLLEGE GOING MINORITIES GRANTEE INSTITUTIONS

University of Alabama in Huntsville	\$105,000
<i>To expand mentoring programs, create a drop-in study center, and facilitate CEO networking for minority students in all disciplines.</i>	
Macon State College (Macon, GA)	\$105,000
<i>To support the Minority Student Achievement Program, a sophomore to junior transition program that includes faculty shadowing.</i>	
Jackson State University (Jackson, MS)	\$105,000
<i>To reinforce skills for freshman through University College, with emphasis on math skills.</i>	
University of North Carolina at Pembroke	\$105,000
<i>To support faculty development, a freshman seminar, and student services geared to the needs of Native American and African American students.</i>	
Trident Technical College (Charleston, SC)	\$105,000
<i>To develop adult mentor and cultural exposure components for the Mentoring Our Male African-American and Hispanic Students (MOMAHS) program.</i>	

SUPERINTENDENTS LEADERSHIP NETWORK NEW MEMBERS 2001

P. Edward Cancienne	St. James Parish Schools	Lutcher, LA
Robert Corley	Flagler County Schools	Bunnell, FL
Col. Alphonse G. Davis	Orleans Parish Schools	New Orleans, LA
Carl Davis	Adams Schools	Natchez, MS
Ronald Eppes	Richland County School District One	Columbia, SC
Robin Fankhauser	Fayette County Board of Education	Lexington, KY
Suzanne Freeman	Cullman City Schools	Cullman, AL
Pedro Garcia	Nashville/Davidson County Public Schools	Nashville, TN
William Garnett	Henry County Schools	Paris, TN
Paula Gault	Forsyth County Schools	Cumming, GA
C. Tyrone Gilmore	Spartanburg Schools	Spartanburg, SC
Greg Grimes	Pointe Coupee Parish Schools	New Roads, LA
Larry Hammond	Rock Castle Schools	Mt. Vernon, KY
William Harrison	Cumberland County Schools	Fayetteville, NC
Merrol Hyde	Sumner County Schools	Gallatin, TN
Sandra Husk	Clarksville-Montgomery County Schools	Clarksville, TN
James Irby	Athens City Schools	Athens, AL
Dallas Johnson	Williamson County Schools	Franklin, TN
Lloyd Lindsey	West Feliciana Parish	Francisville, LA
Brady Link	Graves County Schools	Mayfield, KY
Joyce McNair	Humphries County Schools	Belzoni, MS
Col. John O'Sullivan	Chatham County Schools	Savannah, GA
Gerrita Postlewait	Horry County Schools	Conway, SC
Susan Purser	Pontotoc Schools	Pontotoc, MS
Jesse Register	Hamilton County Schools	Chattanooga, TN
Yvette Richardson	Fairfield City Schools	Fairfield, AL
John Sanders	Lee County Schools	Fort Meyers, FL
Pamela Saylor	Lake County Schools	Tavares, FL
Mitchell Tyler	Hoke County Schools	Raeford, NC

EDU.PWR³® POWER TO LEARN SCHOOLS

Harrison Central High School	Gulfport, Mississippi	9th-12th grades in a rural setting
Lawton Chiles Middle School	Hialeah, Florida	6th-8th grades in an urban setting
Key Largo School	Key Largo, Florida	pre-K-8th grades in a rural setting
Mary Scroggs Elementary School	Chapel Hill, NC	kindergarten-5th grades in a suburban setting





A Final Word

Just as this page marks the transition of our report from one language to another, so too does 2001 represent a transition of the BellSouth Foundation. Since our founding in 1986, we have sought opportunities to improve schools for the children of the southeastern United States. Our guides and partners have been some of the most dedicated and knowledgeable educators and community leaders in the South and in our nation. As we follow our company's reach into Latin America, we have found equally dedicated educators and community leaders. They have taught us lessons not only for the success of BellSouth Proniño, but for our work in schools and communities in the U.S. Indeed, as a foundation, we have done more than grow geographically. We have grown in awareness of our global community and in a shared vision of compassionate people everywhere that all children have the right to a quality education. As a result, we are a better foundation and more prepared to accomplish our mission in all the communities we serve.

*Pat Willis, President
BellSouth Foundation*

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Ramon Rodriguez	Associate Director — Grantmaking
Alicia Adams	Administrative Assistant

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Mark Droege	Vice President and Chief Financial Officer — Latin American Operations
Fran Dramis	Chief Information and e-Commerce Officer
Donna Lee	Chief Marketing Officer
William Pate	Vice President — Advertising and Public Relations

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