

MINUTES

GOVERNOR'S TASK FORCE ON ENDOWMENTS AND PHILANTHROPY

Northwest Power Planning Council Conference Room
November 13, 2003

Present:

Sue Talbot (chair)	Galen McKibben
Barbara Anthony	Tim McCauley
Steve Browning (by phone)	Clark Pyfer
George Cole	John Scibek
Linda Coulston	Jonathan Selib (by phone)
Mike Halligan	Jim Soft
Judy Held	Peter Sullivan
Amy Kelley	Judy Wing
Mark Kelley	Ralph Yeager
Brian Magee	

APPROVAL OF MINUTES

Sue asked if anyone wanted to see any corrections made to the October 9 minutes. It was noted that an extra "0" was added on page 5: "Sue calculated that if the members followed up with these entities alone, the Task Force could raise \$5,000-\$6,5000 immediately." Amy will make the correction before sending them to Galen to post on the EndowMontana web site.

FINANCIAL REPORT

Ralph handed out the most recent financial statement for the Task Force, covering the period October 1 through October 31, 2003. It showed total revenue of \$2,450 and total expenses of \$1,195.40 for an ending fund balance of \$2,494.56. The detail of contributions in October included many Task Force members. John noted that the Rocky Mountain Elk Foundation had pledged to give \$250 (NOTE: the foundation has since followed through on that pledge). Ralph added that requests had been sent out to Benefis Healthcare Foundation, Rocky Mountain College, and Deaconess Hospital. Sue reported that she'd mailed request letters to all Task Force active and advisory members; she thanked all of the members who'd contributed, and noted that the Task Force is in good shape financially – despite the lack of a Special Session looming.

John asked Ralph if there were other anticipated expenses upcoming. Ralph replied that the Task Force should anticipate regular consultant expenses (i.e. Amy) and the fee for Ginny Tribe to facilitate the January meeting, which he estimated at \$1,200-\$1,300. Mark moved to approve the financial report. John seconded the motion. All approved by voice vote.

SPECIAL SESSION UPDATE

Sue asked if anyone had any information about whether or not a Special Legislative Session would be held. No one had heard such; all assumed that there would not be a Special Session.

INTRODUCTIONS

Sue initiated a round of introductions to welcome several new Task Force members: George Cole, Mike Halligan, Brian Magee, and Peter Sullivan.

LUNCH & LEARN SESSION

Sue introduced Jim Soft and the Lunch & Learn project. She noted to new members that Jim has been very successful at explaining to professional financial advisors and nonprofits alike the nuances of planned giving and the endowment tax credit. Jim will be holding a new round of Lunch & Learn sessions in the coming year if the CARE Act passes, as the financial planning community will need to understand its implications.

Jim had agreed to present an abbreviated version of the session to the Task Force at this meeting, keeping it less technical. Jim said that it is difficult to explain the concepts without getting technical, but that he prepared a Power Point presentation for the group using lots of examples to explain some of the concepts. He noted that everyone is waiting to see what happens in Congress with the CARE Act. If it passes, it would be the biggest thing that has happened to philanthropy in this century, and he'd have substantially new information to provide the professional community.

To help put the presentation in context, Jim explained that in larger organizations there is often a "turf war" between the planned giving officers and those running the capital campaign. He demonstrated two case histories showing how planned giving can very much be part of a capital campaign — how they can complement each other. He also spoke of how the United States is unique among nations in its tax policy, where the public sector encourages the private sector to give to the philanthropic sector (i.e. charity) in order to lessen the burden of government. He said that this "three-legged stool" is unusual; most nations have the public and private sectors only.

Jim began the session with part of a presentation that he and Aidan Myhre had given to the fall conference of the Association of Fundraising Professionals. He explained the different types of planned giving, and the difference between immediate and deferred gifts. He explained the Montana Endowment Tax Credit and how it is unique among the states, and showed its revenue history. He showed various examples of individuals and different types of corporations claiming the tax credit, showing the impact on their tax liability.

Jim discussed the CARE Act, comparing the differences between the Bush 2004 budget, Senate Bill 476, and House Resolution 7. He highlighted their differences in terms of: allowing IRAs to be rolled over into planned gifts; providing deductions to non-itemizers for charitable gifts; and effective date.

Jonathan Selib, the tax policy specialist for the Senate Finance Committee, joined the meeting by phone to discuss the status of the CARE Act in Congress. He explained that even though there are two versions of the bill, there isn't a lot of opposition over substance on either side. The House and Senate bills both enjoy wide bipartisan support. A procedural issue has precluded the CARE Act from going to conference committee. Jonathan explained that, because the Democratic leadership in the Senate has been unhappy with the lack of full

Democratic representation in conference committees on other bills, they are concerned about sending this bill to conference. He said, however, that there are ways to get the bill to the President's desk without going through conference. If both bills are identical, no conference is required. He said that they are trying to meet at the staff level to get a free conference going to come up with a bill that can pass in one body, "ping pong" to the other, then move on to the President. He said if not this year, they're trying to move it first thing next year, and at this point that looks realistic.

Jim asked Jonathan what he thought about a comment made by Chairman Grassley indicating that all conferees in the Senate would participate in conference. Jonathan said that he takes Grassley for his word, but the problem has generally stemmed historically from the House being more partisan, without as much minority participation. He noted that there are two other major bills competing to get through this year: the Medicare Prescription Drug Bill and the Energy Bill. Sue asked what he thought the chances were for passage of the CARE Act this year; Jonathan thought less than 50-50, but that the odds would be better the first of next year. He noted that the prescription drug bill is huge – some 2,000 pages. The energy bill is also huge. Once those bills are completed there will be a renewed focus.

Jim asked about the effective date, which is different in the different versions of the bill. Jonathan said they'd fix that, changing the effective date to day of enactment.

Jim asked if there's anything the Task Force members could do to help, especially with Sen. Baucus (who is the minority leader on the Senate Finance Committee). Jonathan said that Baucus knows this is a priority for the group, but it's always helpful to write him – especially those charities that are national. He said that's why the members are looking for a third way to pass the bill: because entities including the Task Force have made it a clear priority.

Steve asked what the fiscal impact of the bill would be. Jonathan replied that Grassley and Baucus firmly believe this bill needs to be paid for, so part of the process has been looking for other areas where revenues can be raised. Steve expressed concern that those who don't want their revenue cut would oppose the bill.

Jonathan told the Task Force that he's available by phone any time if anyone had questions. His phone number is 202-224-5884. The group thanked Jonathan for taking the time out of his busy schedule to update the group.

TASK FORCE MEMBERSHIP

Sue asked about whether Steve Daniels expressed interest in joining the group, as a representative of the insurance community. John said that he was interested, but perhaps was awaiting a formal invitation. Sue will write him. There was discussion about finding someone to play the Legislative Liaison role. Mike will review the membership of the House and Senate Taxation Committees to see whom the "holdovers" are, and recommend someone to the group at the next meeting.

JANUARY FACILITATED PLANNING MEETING

There was some discussion about what information Ginny Tribe needs in advance of the January planning meeting that she will be facilitating. Ralph said that she'd need to see the

Task Force annual report and some other background material. He will put a packet together for her. As for the Task Force, Ralph said, “we get nothing.” He explained that Ginny prefers to have the group come unprepared. Ralph said that the Women’s Foundation had used her services in September. They wanted an agenda in advance, but Ginny’s response was that she provides nothing in advance. She came in, asked the group some questions, and then set the agenda from that discussion. They came up with a great plan out of the meeting. Judy commented that Ginny is very good – thorough, competent, and much sought-after – and agreed that she “hates process.”

Sue explained for the new members that in early meetings about philanthropy in Montana – before the Task Force was actually formed – the question came up about what the role of government should be. That’s when Steve came up with the idea of the tax credit, whereby government encourages philanthropy. She explained that the Task Force has been focused on that effort since its inception, but that we don’t want to coast on that, or limit our efforts. George asked if the Task Force was looking at a 2-year or 5-year plan? He suggested that setting a timeline might be a good idea.

Mike asked why a facilitator is needed. He agreed that Ginny was very good, but asked why we should spend the money if we haven’t tried coming up with a strategic plan ourselves? John said that the group has tried, and could use the assistance of someone who can bring out the vision in the group. He thought we needed to figure out what we can do to help promote and increase philanthropy in Montana – beyond the tax credit – and how we can get there from here. He thought it would be helpful to have professional help with the visioning process, and that we can make the plan from there. Ralph agreed, and thought that the Task Force was at a point where it really needs one full day of focus. He said the group has tried in past meetings to come up with a plan and a mission, and could use the help of an outside person.

Sue said that in the past the lack of money to carry out ideas that have been generated has been a problem. Judy Wing said that the Task Force is an influential group of people who want to do something to increase philanthropy in Montana. The question is whether we want to focus on other efforts – what else could/should we be doing? And are we the ones to do it? John agreed that we need to identify solutions and where the Task Force can fit in. Clark commented that he’d been involved in other organizations that tried to be everything to everybody, and ended up spreading themselves too thin. He thought that it has been an advantage that the group has been focused on one thing.

George said that he’d attended two facilitated planning meetings in the past eight months. In both cases the volunteer board found it very inspiring, but nothing has happened since the meeting. He suggested assigning a subgroup of members to come up with a concrete timeline and tasks out of the meeting. Jim reminded that when the Task Force started out it considered four different areas, but then became consumed in the effort to pass and then preserve the tax credit. Out of habit the group has been in a reactive mode. His guess was that Ginny is going to resurrect the subcommittees we’d previously formed and make those lines of accountability. Still, he thought the group would need to be able to be reactive – to drop everything and focus on one thing when necessary. He asked whether we’re asking her to reinvent our own wheel?

Sue said that if the group consensus were that hiring a facilitator is not money well spent, she'd gladly call Ginny and cancel. George said that he'd joined the group with the intention of doing more than defend the tax credit. He thought that the Task Force was important, and that it needs to seek other areas for impacting philanthropy, and that a facilitator could be very helpful.

Sue put out the idea of everyone taking an hour, in lieu of a December meeting, to write down what the Task Force might pursue. Judy Wing said that with her background in organizational development and strategic planning, she could help facilitate a discussion. Jim felt that it would all come back to the same things we've discussed in the past, unless we bring in other people with different strengths. Linda asked whether anything came out of the Governor's Conversation a year ago? Sue said that some wonderful ideas came out, but many were too expensive for this group to carry out.

Brian asked whether there had been any discussion about the broader issue of what a more supportive environment for nonprofits might look like? Perhaps that discussion hasn't happened. From that discussion we could work backwards to come up with a specific plan. Judy Wing thought that was a good idea – looking at the environment outside of this group.

Ralph said that regardless of whether we need a facilitator, we need to get these ideas on the table. For example, we've done very little to promote philanthropy among the wealthy part-time residents. Jim asked whether a "Philanthropy Day" in Montana has been declared. Someone thought that there was such a day proclaimed in the West, but not in the state. Jim thought that it would be good PR – perhaps something like that could come out of a session with Ginny. He thought that lack of PR was an area where the Task Force needed work.

Judy Held asked for some clarification about the overlap between the Montana Nonprofit Association, the Big Sky Institute, and the Task Force. Brian replied that the Big Sky Institute historically has been dealing with fundamental "think tank" issues that helps inform the work that he does at the MT Nonprofit Association, which is dealing more with capacity issues. MNA is to Montana nonprofits what the Chamber of Commerce is to businesses, providing support as well as education. For example, MNA is looking at ways to help small organizations obtain group health insurance. Sue added that the fact that the Governor appoints Task Force members allows it to play a different role.

There was some additional discussion about holding a facilitated planning meeting in January. The consensus of the group was that the meeting should be held and that Ginny Tribe should facilitate it. Sue will follow up with her.

John recommended that the Task Force advisory members be invited to participate in the meeting. Sue said she liked the idea of inviting others; she noted that the Task Force has always said that it needs to be careful not to say it's representing all nonprofits. Josh had previously suggested inviting Mike Schectman and Steve Maly.

NEXT MEETING

Sue asked the members present how they felt about having a meeting in December. Several members said that they'd be unable to attend. It was agreed that the December meeting would be

cancelled, and that the next meeting would be the facilitated meeting on January 8th. Amy will see if the conference room at the Livestock Building is available for the meeting, since there will be more participants than usual. It was agreed that the meeting would need to be longer than usual: start time will be 9 a.m. and the meeting will run until 3 or 4 p.m.

The meeting was adjourned at 2:30 p.m.