

## MINUTES

### **GOVERNOR'S TASK FORCE ON ENDOWMENTS AND PHILANTHROPY**

Northwest Power Planning Council Conference Room  
May 13, 2004

Present:

Sue Talbot, chair  
Sid Armstrong  
Linda Coulston  
Fran Galvin  
Mike Halligan  
Amy Kelley

Brian Magee  
Galen McKibben  
Dennis Peterson  
John Scibek  
Peter Sullivan  
Ralph Yaeger

### A SONG

Sue opened the meeting with a song she wrote and sang at the last meeting, but since Galen was unable to attend the last meeting, she repeated the performance:

*Wonder of wonders*

*Miracle of miracles*

*Galen took a lady by the hand*

*Cleared up the intricacies of a discussion site*

*Led me to the Promised Land!*

*If I can do it, you can do it also*

*Just follow the directions Galen gives*

*We can get a lot done in between meetings*

*And we all end up in the Promised Land!*

### APPROVAL OF APRIL MINUTES

Sue asked if anyone would like to see changes made to the April minutes. Sid noted that Superintendent of Public Instruction Linda McCulloch's name was incorrectly spelled. Amy will make that correction before forwarding the minutes to Galen to post on the web site. The group unanimously approved the minutes by voice vote.

### MESSAGE FROM JUDY HELD

Sue read aloud an e-mail she'd received yesterday from Judy Held, who was unable to attend the meeting due to bad weather. In it, she reported that she was drafting a letter for Dennis and her to send to healthcare foundations for their continued (or new) support, and that she will be personally contacting her local legislative candidates before May 20<sup>th</sup>. She'd already mailed personal letters requesting support for philanthropy and the Task Force to Eastern Montana candidates outside of Richland County.

Judy also reported that she and Dennis had attended a meeting of healthcare development and public relations people in April. She said they were all aware of the Task Force and appreciative of its efforts, and that they'd like to see the TF take the lead in sponsoring a series of workshops for professionals across the state, with some offering to be presenters. They feel as if professionals are, generally, not completely "in tune" with the endowment tax credit and various forms of charitable estate planning, and that they also need help broaching the subject of charitable giving with their clients. She said that the group they'd visited thought that passage of, and therefore teaching about, the CARE Act was not necessary for the workshops to be successful.

Judy added that they felt it very important for the TF to spread its message to appropriate professional groups at their state and/or regional conventions or workshops, and that the TF could put together a session outline and "speakers bureau" to present at those events. She and Dennis also encouraged all to write support for the TF into their budgets, which many seemed willing to do. She suggested contacting the State Department of

Insurance to obtain a list of all charities that have filed with them to write charitable gift annuities, as the TF might approach these groups for financial support.

### **FINANCIAL REPORT**

Ralph passed out the most recent Statement of Activities covering the period April 1 through April 30, 2004. It showed new revenues of \$365.00 and \$30.00 in total expenses, leaving an ending fund balance of \$281.06. Dennis handed Ralph a contribution to the Task Force from Benefis Foundation for \$1,000; he said that he is expecting a check from the hospital as well. He reiterated that he and Judy urged their healthcare colleagues to incorporate support for the Task Force into the budgets of both the hospital *and* the foundation. Sue volunteered to visit with people at St. Patrick's in Missoula to ask for their support; Sid said she'd meet with Mike Munck at St. Peters in Helena. Ralph said that he knows Deborah Gill from the hospital foundation in Bozeman, and would contact her. Dennis said that she is very supportive. Ralph will also speak with Maureen Nopper, who is on the Montana Community Foundation board and with the Montana State University Foundation, to find out where they stand in terms of support for the Task Force.

Sue asked Ralph if he could do a spreadsheet showing the organizations that have given to the TF in the past, by year, to see who hasn't given in awhile. Ralph said he'd already done that, and would update it and mail it to Sue. Sue noted that, since the TF doesn't receive funding from the legislature or the governor, it would be helpful to demonstrate to the next legislature that we have broad support across the state in our donors. Ralph reported that he'd been working on a new fundraising letter, and will run it by Sue soon. Dennis added that "urgency breeds dollars," and given that the legislature is upcoming, we have some urgency to express.

Ralph suggested that he and Sid and Steve make a trip to Missoula to meet with various foundations. He said that we stood a very good chance with the Hurst Foundation right now. Sue noted that foundations wouldn't be able to support our lobbying efforts; the corporate donations can support that effort.

### **CARE ACT UPDATE**

John Scibek reported that there has been little to no activity on the measure since March (he subscribes to several e-networks that follow it). The effort to attach the bill to the JOBS Act has been unsuccessful, and Sens. Baucus and Grassley have been focussed on closing loopholes in the philanthropy arena — cleaning up abuses as a way to recover revenue. John thought it still possible to resurrect SB 1375 (the IRA rollover) this session. The problem is that Sen. Daschle is still holding things up until he receives a written assurance that the Democrats will be involved in conference committee.

**(NOTE:** John forwarded the following message to several Task Force members from the NCPG [National Committee on Planned Giving] electronic newsletter:

Date: May 20, 2004

Subject: Gift Planner Update, Electronic issue volume 3, issue 2

#### IRA Charitable Rollover Update

NCPG continues working hard to move the CARE Act to conference committee but all efforts have stalled due to partisan politics. While we continue to support all the charitable giving provisions of CARE, NCPG and our other partners in the Charitable Giving Coalition are now supplementing our effort by supporting stand-alone IRA rollover legislation. An IRA charitable rollover bill (S. 283) has been introduced in the Senate, sponsored by Byron Dorgan (D-ND), Olympia Snowe (R-ME) and John Kerry (D-MA). Senators Snowe and Kerry are both members of the Senate Finance Committee. The coalition is working with several key representatives to have the IRA rollover bill introduced in the House as well.

The IRA charitable rollover provision passed both houses of Congress in 2003 by large majorities but partisan disagreement has prevented the CARE Act from going to conference with the House version (H.R. 7). We hope that this stand-alone legislation will help us mobilize the overwhelming support for the IRA charitable rollover and draw attention to this important legislation.

Please contact your Senators and urge them to co-sponsor S. 283.)

Sue wondered whether this would be a good time to discuss the "Lunch & Learn" program, given that Jim Soft had been waiting for passage of the CARE Act in order to incorporate it into the presentation. Judy's letter expressed desire from people to hold the sessions regardless of the outcome of the CARE Act. Mike also thought it would be a good idea to hold the sessions. He recommended that the Task Force encourage the Congressional Delegation to pursue a two-pronged legislative goal of closing existing loopholes and, more importantly, passage of the Care Act. John said that, given the deficit, the cost of the bill (the non-IRA rollover components) is too much, and all of the possible offsets have already been taken by the JOBS Act.

Sue suggested that the minutes be hand-delivered to the MT Senators to show them our discussion of this issue. Sid said she would deliver them to Holly Luck and Betsy Allen; Mike will deliver them to Jim Foley.

John thought that the "Lunch & Learn" sessions are important because many professionals still don't "get it" or haven't been exposed to philanthropy in general. He thought that, thanks to our efforts and the increased visibility of philanthropy in general, the sessions would be well attended even if we charge more than in the past. He understood, however, that a lot of work goes into them. Sid thought that it would be ideal to hold them in the fall, before the legislature convenes. Ralph thought that Jim would be in favor of that; the reason he was holding off was because he really thought the CARE Act would pass.

Sue reiterated Judy Held's point that the sessions would be most effective if put on by a variety of presenters in the name of the Task Force. She also suggested, based on the feedback that Judy received, reviving the idea of doing roleplays at the sessions to teach financial advisors how to talk about charitable giving with their clients. She thought that the overall project would be relatively inexpensive if we charged the attendees a little more — perhaps \$50. Sid's concern was that the program might not be approved for continuing education credit unless it has qualified presenters. Peter agreed, and said that the standards in the insurance industry are fairly strict. Dennis said that the thought there were qualified people in all of the major communities who would be willing to be presenters.

Sue suggested that a subcommittee begin working on this immediately, via the web site bulletin board. The group needs to determine which communities we want to cover, potential presenters (in addition to Jim Soft), timing, etc. Sid noted that the TF would need to get permission from Jim Soft if we want to use any of the materials he's developed. The following members volunteered (or were suggested) to the committee:

Dennis Peterson	Peter Sullivan
Judy Held	Brian Magee
John Scibek	Jim Soft
Steve Browning	

John reminded the group that before he became a member of the Task Force he'd called in to the meeting asking whether the TF would hold a Lunch & Learn session, and was told that Jim's schedule didn't allow it at the time. John thought that Jim might appreciate additional presenters. Someone suggested that could "train the trainers." Dennis noted that it might be an added benefit to have a local person present, so that attendees could go to him/her for questions later.

Since the committee will be using the web site bulletin board for communication, Sue asked Amy to put into the minutes Galen's instructions on how to access the bulletin board:

1. Go to [www.EndowMontana.org](http://www.EndowMontana.org)
2. Click on "Governor's Task Force" at the bottom of the home page
3. Scroll down to find the Gothic "T" in the left margin of the page
4. Register with the bulletin board group
5. Click on the "Candidate Contacts" discussion group

### **DELIVERING THE MESSAGE**

Sue shared with the group the contact reports she'd made from the 7 candidates she'd met with (she signed up on the bulletin board to meet with 12). She asked Amy to redistribute the contact form to Task Force members again (Attachment A). She explained her approach to the candidates: she gave each the TF handout, and explained that the map on the back is interactive on the EndowMontana web site. Clicking on a county brings up a list of endowments in that county, which is not up to date, but gives a sense of how many charities have benefited from the endowment tax credit. She printed out and showed the candidates the list for Missoula. Her experience was that most candidates actually knew of other endowments not on the list. Galen noted that those people should be told to go to the map on the web site, where they can add an endowment to the list on line. Sue said that she also handed out the fact sheet put together by Ralph during the special session explaining the tax credit. Sid added that most Task Force members were given annual reports to hand out as well.

John asked if anyone had put together the most recent numbers for types of gifts created through the tax credit. He will ask Jim McKeon at the Department of Revenue whether we can have access to that information. His understanding was that the DOR was not currently entering that information into their system. Sue suggested that the Task Force could pay someone to do that, as we did several years ago.

There was discussion about whether to post on the bulletin board the results of contacts with legislators. Sid emphasized that the discussions should not simply be about the tax credit, and whether or not they support it, but rather we should be asking whether they would be willing to raise the issue of philanthropy, and how it contributes to economic development and quality of life during the campaign, and, as elected officials, make it part of the public policy agenda. It was agreed that, for now, members should fill out but hold onto the contact sheets.

Sue said that at the June meeting we should discuss who could cover the outlying communities. At that point, the primary will already have happened, and we will know who the final candidates are, and can look at where the holes are. Dennis agreed that those areas need to be contacted; he thought that, east of Billings and Great Falls, people don't know anything about the Task Force and little about philanthropic efforts in general.

Sid reported that Spence had met with John Vincent, who pledge to sit down with TF members after he wins the primary to see how he could actively/proactively forward its agenda. Spence also spoke with Missoula legislator Dave Wanzonried, who is very supportive but warned that others remain concerned about the cost of the tax credit. Sid said that she spoke briefly with Mike McGrath and Linda at a fundraiser. Both are interested and supportive. She will meet with each of them soon and has appointments scheduled to meet with Ken Toole and Christine Kaufman. Sue said she met with Brian Schweitzer and John Bohlinger, who absolutely understands the tax credit since he carried it last session. John Scibek said he also met with John Vincent, who said, "you're preaching to the choir," thinking John was only speaking to scholarships. John explained that he was speaking on behalf of the Task Force, and stressed with him that we are "your go-to group" when you want to figure out how philanthropy can help boost economic development and cover gaps in government services. He said Ken Miller said he'd meet after the primary, and John Ellingson is trying to schedule a time to meet with him. Peter spoke with Bob Brown, who says he's with us. Bob Brown reminded that he carried the bill the first time Steve Browning introduced it.

Sid said that she wants the candidates to mention philanthropy when they speak about economic development in their campaigning. Sue suggested that the question be raised whenever there is a Q&A period at debates. Sid said she would draft a question for the daily candidate questions that have been running in the newspaper.

Sid also volunteered to meet with Bob Ream after the primary to discuss putting a philanthropy plank into the Democratic State Platform. Mike warned that both parties will be holding their conventions two days after the primary, so any work on that should happen immediately. Sid said she'd get on it right away.

*(NOTE: Sid followed through and succeeded in getting the Lewis & Clark Co. Democratic Central Committee to unanimously adopt Attachment B as part of the Jobs and Economic Growth plank. She plans to attend the County Convention June 10, where they elect presidential delegates to the State Convention, which begins June 11 with the Platform Convention, in Billings. She said that **the Task Force resolution would be presented, but that we should plan to have some delegates or attendees who will respond to questions and promote it.**)*

#### **MONTANA NONPROFIT ASSOCIATION GUBERNATORIAL CANDIDATE FORUM**

Brian explained that the MT Nonprofit Association (MNA) has been working to support Montana nonprofits for three years now. They held more than 20 town meetings across the state to find out what the nonprofit sector needed; one result was the formation of a statewide association (MNA). The number one priority, however, was the desire to impact public policy. MNA has been offering nonprofit support through trainings and technical assistance and establishment of an unemployment insurance program and recently a health insurance program. Now they are looking toward the public policy arena. They are putting together a public policy council, with one-third of its members from the MNA board, one-third from the membership, and one-third experts. The council would act on behalf of MNA in the public policy arena.

He said that they are also working on infrastructure. They have been working to educate others about the nonprofit sector, and are now looking at taking on the role of educating public policy makers. A first step in that direction is holding a Gubernatorial Candidate Forum in conjunction with their annual conference in Billings, October 4-6. He wanted to put it on the Task Force's radar screen, in part to see if the Task Force might consider being a co-sponsor, but primarily just to be aware that MNA is in the initial phases of forming its public policy agenda, which should go forward in a way that is mutually beneficial to both entities.

About the gubernatorial forum, Mike warned Brian that unless he can guarantee several hundred attendees, it will be difficult to get the candidates, although he may be able to get Lt. Governor candidates to attend. Brian thought they could draw that many, although holding the conference in Billings could have a negative impact, since most of their membership right now is in the western half of the state.

Mike suggested developing one question, posing it to each candidate beforehand so that they have time to develop a response. They could each have 15 minutes to speak, and perhaps open it to Q&A. That way it would be positive, which would be very appealing to the candidates so close to the election, as opposed to a debate. He suggested forming a question such as: "As governor, what are you going to do to promote philanthropy as part of your economic development platform?" John Scibek said they'd want to know that the media would be there as well.

John said that he felt confident that, should the Task Force not be reauthorized by the next administration, the MNA could carry on much of its agenda. Sid agreed, but noted that the strength of the Task Force lies in its combination of nonprofits, business, and government working together to strengthen the state by promoting philanthropy,

#### **NEBRASKA TAX CREDIT LEGISLATION UPDATE**

Sid reported that the Nebraska bill, which was modeled after Montana's, failed to pass the legislature. However, the sponsors are confident that it will go through the next session, and thanked the Task Force for its assistance. She also reported on the activities of the WV Council for Community and Economic Development, an effective

public/private partnership initiated by the state government to build economic development by including the nonprofit community. She thought WV not all that different from MT in many ways, and their work could serve as a model for the Task Force and the next governor. She suggested members look at their web site:

<http://www.wvcouncil.org>

#### ENDOWMONTANA WEB SITE

Sue said that she had been speaking with someone who was not a tax attorney about the web site. She realized that for those type of people — i.e. non-experts — it would be very helpful to post something like the old "MCF Express," which explained the tax credit in layman's terms, with examples of planned gifts on the back side. All agreed this was a good idea. Ralph will search for the "MCF Express," update it to reflect the current tax credit law and numbers, and e-mail it to Galen to post.

Galen suggested that it might be time to revise the web site. As a rule, if a web site doesn't change regularly, people will stop coming to it. It was agreed that Galen would work on a new design, and post it on the web site with an address that only the TF members who know the address will be able to preview.

#### NEXT MEETING

It was agreed that the next meeting would be held at the regular date and time: **Thursday, June 10<sup>th</sup>, from 10:00 a.m. to 2:00 p.m. at the Northwest Power Planning Council** (**NOTE:** Depending on the number of people who plan to attend, the meeting may be held across the street in the Livestock Building. Amy will notify everyone in advance of the next meeting.)

Meeting adjourned at 12:45 p.m.

**GOVERNOR'S TASK FORCE ON**  
**ENDOWMENT AND PHILANTHROPY**  
**Contact Report Form**  
**(Please print or type)**

Name of Contact: \_\_\_\_\_

Date of Contact: \_\_\_\_\_

Method of Contact (in-person, phone, email, etc):

\_\_\_\_\_

Summary of Contact:

Follow-up Action/Next Steps:

Volunteer Name: \_\_\_\_\_

Date: \_\_\_\_\_

Please bring copies to the Task Force monthly meeting (second Thursday of the month).

Thank you!

Attachment B

RESOLUTION FOR 2004 DEMOCRATIC PLATFORM  
As adopted by the Lewis and Clark Central Committee, May 19, 2004

AS PART OF THE JOBS AND ECONOMIC GROWTH PLANK

WHEREAS, Montanans are concerned about economic security and quality of life, while government at all levels and nonprofit organizations attempt to do more with fewer resources; and

WHEREAS, non-profit organizations play a vital role in efficiently delivering critical services; and

WHEREAS, Montanans can better control our own destiny with enhanced opportunities for charitable giving and increased philanthropic resources; and

WHEREAS, employment in the nonprofit sector forms a solid part of the Montana economy, contributing \$648 million in wages paid and serving as the 5th largest source of wages in the state (*both 1998 figures*); and

WHEREAS, the Governor's Task Force on Endowments and Philanthropy, established in 1984, is funded entirely by private donations, bringing together government, business and the non-profit community to build a better Montana through increased philanthropy, emphasizing permanent charitable endowments for sustainable funding; and

WHEREAS, the Governor's Task Force proposed Montana's unique tax credit for gifts to charitable endowments, expanding them from \$100 to \$200 million;

NOW THEREFORE BE IT RESOLVED, that the Montana Democratic Party recognizes that strong philanthropic organizations and increased charitable giving can play a critical role in sound economic and community development, and

BE IT FURTHER RESOLVED, that the Montana Democratic Party recognizes the key role played by the state's non-profit sector in the area of jobs and payroll; and

BE IT FINALLY RESOLVED, that the Montana Democratic Party supports the re-authorization of the Governor's Task Force on Endowments and Philanthropy and appropriate public policy measures to enhance philanthropy, and encourages public officials to make philanthropy part of the public policy agenda.

Sentence for inclusion in the general narrative of *Jobs and Economic Growth Plank*:

Democrats recognize the critical link between philanthropy and economic development and the vital role nonprofit organizations play in the efficient delivery of essential services. We support increased charitable giving and stronger nonprofits by making philanthropy part of the public policy agenda.

