

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

Northwest Power Planning Council Conference Room  
 Thursday, February 15, 2007, 10:00 a.m.

**Members Present:**

Sue Talbot, Chair	Galen McKibben
Sid Armstrong	Jodi Medlar
Barbara Anthony	Bill Pratt
Dorcie Dvarishkis	Peter Sullivan
Amy Kelley	Josh Turner
Brian Magee	Judy Wing
Tim McCauley	

**INTRODUCTIONS**

Sue introduced Terry Chaney from Intermountain Children's Home; there were introductions all around.

**APPROVAL OF JANUARY MINUTES**

Peter made a motion to accept the minutes as distributed; Sid seconded the motion. All approved by voice vote.

**MNA NONPROFIT DAY REPORT**

Brian gave a report on the successful day's events, a showcase for Montana nonprofits at the Capitol rotunda. He said that at its peak well over 200 people attended (they went through 300 meals) including many state legislators and several other elected officials (John Morrison, Mike McGrath, Lt. Governor Bohlinger). After lunch Brian made a presentation focusing on the release of MNA's nonprofit sector report and releasing their long-term public policy agenda, including renewal of the Charitable Endowment Tax Credit (see the MNA website for details). Brian received very positive feedback about the day.

**SB 150**

Amy read an e-mail from Aidan reporting on the bill's status: it has passed the Senate and will next be heard in House Taxation. Aidan has spoken with the Committee Chair, Rep. Lake, about carrying the bill in the House; she has also followed up with Speaker Sales about scheduling the bill (after the Feb. 29<sup>th</sup> transmittal). Sue looked at list of House Taxation Committee members and listed the nonprofits and endowments in their region. She suggested that when TF members speak to the committee members we mention the endowments that can benefit from the tax credit. Jodi reported that she had contacted many people in different counties to contact their legislators who sit on the House Tax Committee. Sue read off list of committee members and asked TF members present to contact the ones they know. A good handout is the Task Force "2-pager," which is posted as a pdf on the home page of the EndowMontana web site.

Sid pointed out that the legislature is heading into some controversy over the budget bill; there's starting to be some divisiveness. She reminded that the very first tax credit bill failed because of in-house warfare, not because of the merits of bill; this could happen again. She said that we have an excellent sponsor for the bill, but even more than in the Senate, the bill's sponsor, Sen. Gillan (and Rep. Lake),

needs to have very good information in order to be prepared for questions in committee and on the floor. She also thought it important to have business and professional representatives testify, including some CPAs or attorneys who can say, “Here is how it works,” explaining how individuals pay tax on planned gift income. She thought that another good focus for stories would be the local community foundations, e.g. Powder River Community Foundation. Judy Wing added that local endowments should also present their stories.

John Scibek had produced for Sue a comparison of the number of METC Gifts to the UM vs the number of gifts to athletics: the number of endowment gifts far outweighs the athletics gifts. Bill encouraged TF members to keep explanations very simple when speaking to legislators: how it’s going to benefit donors, constituents, nonprofits, and endowments in their area.

There was discussion about a new bill, LC 0811 (now HB 746, sponsored by Rep. Ron Erickson, D-Missoula): “Allow tax credit for capital construction donations to tax-exempt organizations.” There is no fiscal note on the bill yet.<sup>1</sup> There was discussion about whether the TF should take a position on the bill, and if so, what that should be. Sid noted that the Governor does not have the money in the Executive Budget for this bill. She reminded that DOR director Dan Bucks had made clear that the Governor couldn't support an extension of the buildings inclusion in the tax credit bill because it was a budget-buster and therefore will be opposed by the administration. Bill suggested that the TF could say that, because it supports expenditures for philanthropy (to the extent that we can afford it), it could support the concept. That said, he thought that in the “whereas” section of the bill there is no real specificity about the need for capital construction funds in terms of state need. It may well be that the first time around it goes down, but then the supporters come back after mustering their forces and their information to show the need and that the state can afford it. He thought that there’s not enough time to make the case for this bill. He raised issue of fairness – why should someone who gives to a capital campaign get a credit and not the person who gives to a nonprofit’s operating expenses?

All agreed that there needs to be more discussion between MNA and the lobbyists about this bill, and that in no way should it interfere with passage of the endowment tax credit. The Task Force took no formal position on the bill.

### **WEBSITE UPDATE**

Galen reported that the web site is generally up to date, although he is behind on posting the minutes. **Amy will send them as a routine thing once they are approved.** Galen also needs a revised bio from Judy Wing. He thought we should get the list of local community foundations to augment our list of endowments. There was discussion of the “impact of the tax credit” page and DOR’s approval of the now-posted text. There is now a downloadable pdf of the “2-pager” on the home page – a good thing to e-mail legislators for information about SB 150.

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<sup>1</sup> NOTE: There now is a fiscal note on the bill. The estimated amount of foregone revenue as the impact on the General Fund balance: FY08, (\$21,252,871); FY09 (\$21, 920,466); FY10, (%22,409,340) and FY11, (\$22,909,017). For more information see “About Bill – Links” from the web page <http://data.opi.mt.gov/bills/2007/billhtml/HB0746.htm>. As of March 12, the bill passed the House Taxation Committee as amended, 18 – 0; passed 2<sup>nd</sup> Reading 85 – 15; and has been re-referred to House Appropriations.

### **FISCAL SPONSORSHIP UPDATE**

Amy had forwarded via e-mail the draft MOU to all TF members; some responded, “Looks fine” while others didn’t respond, but no one was critical of it. Brian said that the transfer officially occurred on February 1<sup>st</sup>, we just need a final signature and a handing over of the check, which Jodi has. The last administrative piece is to draw up contracts with Amy and Galen.

### **TASK FORCE FINANCES**

Sue passed around the final financial statement; the group now needs to have some discussion about fundraising. Sue has several hundred brochure reprints with a blank space where “how to contribute” had been; she’ll make some new stickers for that spot with information about making contributions through MNA.

The Conversation budget has a balance of over \$14,000. Linda Carlson spoke to the anonymous \$10,000 contributor, who agreed that since the conversation made its budget, half of the gift could be re-characterized as a gift to the lobbyist fund. The balance is to be spent on following through on the suggestions made at the Conversation. Brian reported that Jim Soft gave \$2,000 to MNA for the Task Force. That money is not showing up on the Operations statement. On the lobbying budget: it is a \$10,000 bill, the current balance is \$7,000. Brian has not seen the detail behind the gifts, but he will review it to make sure that all contributions to lobbying are counted. He asked that any new contributions to the TF should detail in the subject line whether the contribution is for operations or lobbying. Amy followed up with Linda Carlson who reported that DA Davidson recently made a \$500 contribution toward lobbying at her request.

### **FEDERAL IRA ROLLOVER**

Sue received an e-mail from Jim Soft: the IRA Rollover press club event has been put off because they are working at pulling more members in. Both the Independent Sector and the National Council on Planned Giving are now involved – key national groups that have put this out as a major policy issue. Jim doesn’t know yet when the press conference will be. Judy wanted to be sure that the United Way president is involved; Brian thought that United Way was on the list. He noted that anyone can get a brochure on the IRA rollover from Robert Sharpe and others for something like \$1 a piece – a group can put its own logo on them. Brian thought that President Bush’s budget includes an extension of IRA rollover.

### **GOVERNOR’S CONVERSATION PROCEEDINGS REPORTS**

Josh and Sid passed around a copy of the near-final draft of the reports. Several people offered to proofread; Sid reiterated that they are not looking for edits, as this is a transcript. The reports will be mailed out to all participants. Sid suggested that all presenters/moderators be sent the DVD of the Conversation as well. Blue Cross/Blue Sheild is donating the printing; Josh and Sid are in charge of mailing. The report will be posted on the EndowMontana website. If Galen changes web servers, he will be able to post the DVD as well (with permission from Steve Maly).

There was a vote of gratitude to Barbara Anthony for donating her Valentine’s Parrot candy to the group!

### FUTURE DIRECTION OF TASK FORCE

Bill reminded that, once the legislature has adjourned, the TF has some decisions to make vis a vis what its future as an organization is. The need for operational funds may increase if it becomes an independent nonprofit organization. Brian noted that the MNA contract is written through December 31<sup>st</sup>, although that doesn't mean that the TF is on its own after that.

Bill would like to have a small group rough out a plan for what to do with all of the ideas coming out of the Conversation. There were 11 recommendations made to the TF for ways to enhance philanthropy in the state. What do we do with those recommendations? The philanthropic network has changed a lot over time – there are new players, or we may need to create a new entity to deal with some of these things. The discussion should go hand in hand with the Task Force discussion of where it wants to go, how it wants to be structured. Sue suggested assigning subcommittees rather than try to work through things as a large group; former members who are now Advisory members might participate. She also proposed that at the next meeting we begin to talk in specific numbers of how much the TF needs to raise.

Bill suggested as a first step looking at the recommendations from the Conversation to see which ones naturally fall together so that we don't have an unwieldy number of subcommittees. Does the TF need more of a structure? bylaws? Josh thought that if we appoint a follow-through committee we'd be able to go back to some of the foundations to ask for seed money. Brian recommended capturing the energy generated at the Conversation, e.g. following through on the "funders tour" suggestion. He sees the recommendations as being philanthropic plans to be put in place with the right players – it is a separate conversation about where the TF goes from here, although it could be that the TF becomes the group that oversees that plan, in which case it would need a whole new structure. He suggested taking the resource question off the table. Rather than asking, "What are the one or two things we can afford to do?" look at how big that breadbox can be. THINK BIG.

Sue wanted to make sure the group keeps focused on the tax credit for now, but suggested that we start the dialogue. Bill suggested that at the next and future meetings the group take care of tax credit business first, then spend some time on these issues, perhaps assigning some people to direct the conversation. Sue suggested that the group commit an hour of each meeting to this. She wants everyone to have read the proceedings report and the strategic plan from several years ago; **Amy will e-mail that to all**. Bill suggested e-mailing Amy in advance with things that people are excited about, who might be involved, potential resources, where it fits into strategic plan, etc.

Amy announced she will be gone for the month of May.

### NEXT MEETING DATE

It was agreed that the next meeting would held on Thursday, March 15, at NWPPC [**NOTE: THIS MAY CHANGE TO FRIDAY IMMEDIATELY FOLLOWING THE HOUSE TAXATION COMMITTEE HEARING ON SB 150.**]