

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

Northwest Power Planning Council Conference Room
 Thursday, March 16, 2007, 8:45—11:45 a.m.

Members Present:

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| Sue Talbot, Chair | Amy Kelley |
| Sid Armstrong | Brian Magee |
| Linda Carlson | Tim McCauley |
| Terry Chaney | Aidan Myhre |
| Linda Coulston | Dennis Peterson |
| Dorcie Dvarishkis | Bill Pratt |
| Judy Held | Peter Sullivan |
| Jean Jenkins | Josh Turner |

NOTE

The meeting convened immediately following the hearing of SB 150 before the House Taxation Committee.

REPORT ON SB 150 HEARING

The group thanked Aidan for her presentation before the Committee, at which there were many supporters and no opponents. The Committee did not take immediate action on the bill, although Chairman Bob Lake agreed at the hearing to carry the bill on the House floor. Aidan ran through the process from here: she expected it to pass on 2nd Reading but was concerned about the possibility of referral to House Appropriations. She will ask Rep. Lake to make sure this doesn't happen, given the bill is already included in the Governor's budget.¹

APPROVAL OF FEBRUARY MINUTES

Sid noted that the fiscal note for HB 746 ("Allow tax credit for capital construction donations to tax-exempt organizations") as presented by Amy was incorrect; **Amy will make that correction before sending them to Galen to post**². Peter made a motion to accept the minutes as corrected; Dorcie seconded the motion. All approved by voice vote.

Sue read a letter from Linda Reed, in which she proposed resigning from the Task Force. There was discussion about this, and the group agreed that MCF should be represented on the Task Force. [NOTE: At the request of the TF members present, Sue contacted MCF board member Joan Bennet about serving as the MCF representative on the Task Force. Sue reported that after some consideration, Joan graciously turned down the request.]

¹ As of April 9, the bill has passed the legislature and awaits the Governor's signature.

² The fiscal note on HB 746 has been changed to reflect the amended version of the bill. As of April 9, the estimated net impact on the general fund for FY 2008 is (\$5,246,891); FY 2009 (\$5,371,096); FY 2010 (\$5,495,064); FY 2011 (\$5,622,015). The bill passed the House as amended and has been transferred to the Senate.

MNA 6TH ANNUAL CONFERENCE

Brian announced that this year's conference will be held September 24-26 at the Holiday Inn Grand Montana in Billings. He invited the TF to once again join as a sponsor, and reminded that we did so at the \$500 level last year – although that bill was never paid. There was some discussion about this issue; Brian suggested letting the TF have the \$500 sponsor spot at no charge this year, although all agreed that last year's bill should be paid.

Bill suggested that, if SB 150 passes, there should be a workshop on the endowment tax credit. Aidan suggested adding a discussion of HB 746, assuming it doesn't pass this year. Brian agreed that there should be one session covering these topics.

UPDATE ON HB 746

Peter reported that in its original form, the bill gave a 30% tax credit for gifts to capital campaigns, which produced a fiscal note of more than \$22 million. The credit was then reduced to 12% with a maximum credit of \$3,000 for individuals, and 12% with a maximum of \$10,000 for corporations, with a resulting fiscal note of just over \$5 million per year. Brian reported that MNA's Executive Committee and Public Policy Council met with Aidan and Aimee about the bill, which does not have a united charitable sector behind it. Because this lack of unity could divide the organization, MNA officially is taking NO POSITION on the bill. If it doesn't pass, Brian said they would be interested in having a discussion about the concept. Aidan expressed concern that there was no exclusion for "in kind" contributions in the bill (e.g. a contractor donating \$10,000 worth of concrete). Tim wondered whether at 12% the credit would be worth taking for corporations.

UPDATE ON FEDERAL IRA ROLLOVER

Brian said there's not much to report since the last meeting; the groundswell is building behind the bill. The Independent Sector and the National Committee on Planned Giving are now taking the lead. MNA is looking for stories from groups that have received rollover gifts; so far they've received a dozen responses. He noted that the common reply is that these gifts are coming in to a broad range of organizations, from previous donors, but in larger amounts. Sue suggested that MNA ask donors to ask the gift recipient to report back to MNA with their story (so the donor doesn't have to name the entity).

FINANCIAL STATUS

Sue expressed concern that some of the TF money has been recorded in the wrong accounts. Linda Carlson agreed, but thought that we have the documentation to straighten that out. She concluded that we are only short \$1,000 on the lobbying account. Sue passed out the Statement of Activities from MCF for January 1, 1995 through February 21, 2007. Sid thought we should ask MCF for more detail.

Sue passed around a list of past contributors, showing when they last gave. She suspected that the reason some didn't give recently is because they were never asked. She appointed a fundraising subcommittee:

- Sue Talbot
- Linda Carlson
- Dennis Peterson
- Barbara Anthony

Their assignment is to assign fundraising tasks to the rest of the group. Linda thought it would be straightforward to draw up a budget and then look at the donor history to come up with a fundraising plan. Dorcie agreed; she thought that Sue's previous letter-writing campaigns with phone call follow-ups worked well. Dennis reiterated that he and Judy Held have been asking hospitals to put the TF contribution in their annual budget, and that we'll remind them every year (Judy added that several had even asked her for invoices). Linda added that no one appreciates "emergency fundraising."

Brian gave an update on recent contributions:

- Intermountain Children's Home: \$300
- Yellowstone Boys & Girls Ranch: \$2,000
- Benefis Healthcare Foundation: \$1,000
- Sid Armstrong \$100

There is currently \$9,900 in the Governor's Conversation account (although not all expenses have been paid); nothing in the lobbying account (what was in the account has been paid out); and \$3,700 in the general account (not counting the above new contributions). Linda Carlson suggested we close out the lobbying account so we can move forward on fundraising for the general account; Dennis said that their \$1,000 could be put toward lobbying. Bill wants to see money in the lobbying account every year because the tax credit won't be the only piece of legislation that the TF will work on in the future.

DISCUSSION OF THE FUTURE OF THE TASK FORCE

Sue laid out the main question to the group: What form will the TF take in the future? Will it continue to be the "Governor's" Task Force? What does it mean to be a "project of MNA"? How do we operate without bylaws? She appointed another subcommittee to carry on the discussion:

- Bill Pratt
- Brian Magee
- Sid Armstrong
- Josh Turner

Sid thought that, now that the TF is associated with MNA, we might be able to obtain some foundation money, building on the Conversation. Brian suggested seeking a planning grant first, out of which could come a request for a big grant for a specific project.

Sue asked what we should do with the money leftover from the Conversation budget. She suggested a challenge grant. Josh suggested going back to the Conversation funders, asking for a planning grant to build on the money we've already raised. Sid noted that she, Bill, and Mike Schechtman have been meeting with Governor's Office staff – Major Robinson and Reno Charette – and are moving ahead on the Native American piece from the Conversation.

Sue proposed having the legislature fund a challenge grant for education money. Dorcie noted that 23 states do some sort of matching grant for higher education.

Dennis suggested that if the fundamental question is what the TF wants to be as an organization, and if the answer is "a project of MNA," then of course they need to be part of the discussion. Brian noted that the Conversation proceedings report is chock full of great ideas – but they are all discreet ideas. The one

piece missing is the overall strategic plan for philanthropy. We need to come up with a mission/vision, then set goals and objectives, and from that a strategy. If we look at the big picture, it might be easier to see where the TF might fit in. It may well be that the TF wants to do more policy work, in which case it might need/want more flexibility and independence. He added that normally you arrive at the type of ideas that came out of the Conversation as an outcome of discussion about the overall plan – perhaps we need to have someone come in to help us develop that plan.

Bill saw an opportunity to present a report to the State on where the TF goes from here. He suggested that we need to analyze the overall environment – the philanthropic landscape – and where the TF fits in to that. He thought the question is: can we stay where we are and, if so, is that going to impact the things that need it? Is everybody at the table that needs to be there? He agreed there needs to be a broad-scale philanthropic plan for the state, with different entities responsible for different pieces of that plan.

Judy asked how many more meetings of the TF do we need to have before this issue can be decided and we can get started on the recommendations? “Let’s put the plan together and get it done.” Bill said that the subcommittee would come up with a plan and will need feedback from the group. He volunteered to chair the committee, since he has some time in his BSI job description to devote to this. Sue suggested that the “Futures Committee” meet several times before September to look at our options and make a proposal to the group. Sid thought one of their first tasks would be to survey TF members.

Dorcie asked whether MNA had a philanthropy committee; Brian said no. She asked whether the TF might BE that committee for MNA. She noted that missing from “the table” are APF, WMFRA, donors, foundation, and community foundations.

Judy’s hope was that the organization would have enough staffing to be able to actually implement projects, rather than TF members as volunteers off doing their own thing. Bill said that raises the question of capacity – what responsibilities do the TF members have? Dennis agreed with Linda that we can’t raise money if the result is that the TF is ultimately going to dismantle. Brian suggested that once we determine how big the vision is, we likely can’t do it on a \$9000 annual budget. There could be 2 fulltime staff, in which case we’d need to come up with the funding.

Dennis asked whether, should the TF decide not to be the “Governor’s Task Force,” the governor might decide to appoint his/her own in the future? Sid replied that she believed this governor would support whatever the TF recommends that will advance philanthropy for our state, as that is his goal. Sue noted that having “Governor” in the name opens some doors.

BSI REPORT

Bill announced a Big Sky Institute press release on the 2006 philanthropic divide numbers; while Montana has raised more money overall, we’re still 48th because the gap has grown.

NEXT MEETING DATE

It was agreed that the next meeting would held on Thursday, April 19th, at NWPPC. The meeting adjourned at 11:45.