

MINUTES
GOVERNOR'S TASK FORCE ON
ENDOWMENTS AND PHILANTHROPY

Northwest Power Planning Council Conference Room
 Thursday, April 19, 2007, 10 a.m.- 1:45 p.m.

Members Present:

Sue Talbot, Chair	Brian Magee
Lt. Governor Bohlinger	Sharen Peters
Jackie Williams	Dennis Peterson
Barbara Anthony	Bill Pratt
Linda Coulston	Major Robinson
Dorcie Dvarishkis	Jim Soft
Judy Held	Josh Turner
Amy Kelley	

APPROVAL OF MARCH MINUTES

There were no errors noted or corrections requested. Dennis made a motion to accept the minutes as distributed; Bill seconded the motion. All approved by voice vote.

MCF PARTICIPATION ON THE TASK FORCE

Sue read a letter from Joan Bennett, chair of the Montana Community Foundation board, in which she graciously declined Sue's request that she represent MCF on the Task Force (due to other obligations). There was discussion about this; the group would like to see MCF represented on the Task Force. It was agreed that Sue would follow up with Joan and ask whether she would recommend another participant or whether MCF would prefer not to be represented at all.

LEGACY MONTANA

Sue shared with the group the success that the Missoula "Legacy Montana" has enjoyed and encouraged all members to start a program in their communities. Bill suggested making a link to Legacy Montana from the TF website. **Amy will ask Galen to do so. Sue will forward information about the program to Amy, who will pass it on to the TF membership.**

LEGISLATOR THANKS

Sue suggested that – after the legislature adjourns – the TF send each legislator a copy of the brochure and 10-year report along with a note of thanks for passage of SB 150. All agreed this was a good idea. **Sue will take charge of the mailing. Amy will try to obtain a legislator mailing list for Sue.**

UPDATE ON SB 150 AND HB 746

The Montana Charitable Endowment Tax Credit (SB 150) was passed by the legislature and signed into law by the Governor on April 17th. The Governor did not make any amendment to the bill, so it will take effect immediately.

Brian suggested the group spend some time thinking about how to publicize the bill's passage. Aidan had suggested that we choose six nonprofits from across the state, interview them to find out how the tax

credit has worked for them, and then publicize those stories, working with AP writers to get articles into papers and e-media statewide. Brian said that MNA postponed publicizing anything on its website until having this discussion with the TF. Judy felt there was some urgency in getting out information, as there is some confusion over its impact on capital campaigns.

Bill reported that in his experience you need a “hook” in order to get a reporter to write on the subject of philanthropy – how people are affected personally. Secondly, he thought we needed to focus on the technical aspects of the law. Jim Soft agreed: we need to excite people and then educate them. Someone suggested that we get information to various associations to post in their newsletters.

The conversation segued into a discussion of Lunch & Learn sessions. Jim noted that there are several topics that could be covered:

- The new changes in the MT Tax Credit
- HB 746 (tax credit for contributions to capital campaigns): its current status is tabled in the Senate Taxation committee, so it’s not likely to pass this year
- UPMIFA – the Uniform Prudent Management of Institutional Funds Act (SB 474 – “An Act Revising State Fund's rate-setting to be under insurance code”): if it passes, this will be huge in terms of educating the professional community

Jim also pointed out that there has been some noncompliance with the charitable gift annuities law; there should be some education on that issue as well. He said that he’d been discussing the timing of the sessions with John Eastman; they both feel that the fall is the best time, by which time we should have clarification on these issues and potentially on the federal IRA rollover as well. They discussed having one track for nonprofits and another for legal/financial professionals. He felt strongly that this year the sponsor should be either MNA or MNA and the TF (rather than Yellowstone Boys & Girls Ranch Foundation or MCF). Jim agreed to hold a session at the MNA conference in September as well.

Bill suggested creating an e-piece – a “FAQ” – with information about the four issues, asking groups and associations to distribute it to their members (CPAs, bankers, lawyers, financial advisors, etc.). This FAQ could also be used as a way to advertise the upcoming L&L sessions. **Brian volunteered to take on the FAQ if others would help. Aidan had volunteered to help with the post-session media strategy, getting well-placed articles across the state and advertising the trainings. Sue will ask Aidan with whom she’d like to work on the media strategy.**

Judy suggested offering the L&L as a 4-hour credit, as there is plenty enough information and those in the “hinterland” are craving that information – they’d certainly be willing to stay for 4 hours. Bill suggested putting it on as a webinar; Brian said that MNA had excellent software to do that. Jim thought that was a good idea, and that way the DOR could participate as well.

LEGISLATURE UPDATE

Lt. Governor Bohlinger reported that, from the perspective of the Governor’s office, it has been a difficult session, especially in terms of the budget. He is happy that many of their goals will be reached in the end, that much of the original budget will have survived. He thought that sending the legislators a letter of thanks from the Task Force would be a good public relations gesture, as well as a way to spread the word

about how the tax credit has and will continue to benefit communities across the state. He encouraged the group to keep up the good work!

NATIVE AMERICAN PHILANTHROPY

Major Robinson reported that he, Bill Pratt, Sid Armstrong, Mike Schechtman, and Reno Charette have met several times since the Governor's Conversation to build on the energy and ideas generated at the Conversation. They have been looking at the philanthropic divide within the Indian communities, getting the nonprofits in those communities to reach out, and taking advantage of the Governor's enthusiasm to bring more resources to those communities. **Bill will send out a concept paper about some of the issues that exist in Indian Country.** One goal is to make connections with the foundations. The group is putting together a list of people who can help with these discussions and help determine a strategy. They envision a core group with assistance from advisory members and honorary members (e.g. Elouise Cobell and Henrietta Mann). Bill stressed the importance of multi-tribal buy-in before launching some major initiative. Several TF members suggested names of people the group could contact.

Bill posed the idea of forming a Native American Foundation – something Andrea Alexander of the Potlach Foundation suggested at the Conversation. Judy Held questioned whether that creates a barrier between the Native American population and the rest of Montana. Major thanked Judy for her comment; he said that their intention is to be inclusive, but that there is a different situation on the reservations (he noted that while Billings has 2% unemployment, Crow Agency has 50-60% unemployment). There is a distinct need there.

FEDERAL IRA ROLLOVER

Jim reported that the Independent Sector has jumped into the effort and has been taking on the grunt work. The Dorgan bill has 10 co-sponsors, 6 of whom are on the Senate Finance Committee; the House version has 22 co-sponsors, 12 of whom are on the Ways & Means Committee. As Jim put it: "The train has left the station and is in motion." He said that Sens. Baucus and Grassley need to hear how the rollover has affected smaller charities; Brian is conducting that research in Montana now. He said that eight or nine organizations have responded, reporting on about 20 gifts. He said that Baucus' policy person on tax-exempt organizations wants stories. MNA is getting ready to put out another request for such stories – it would be good to hear from donors as well.

FINANCIAL STATEMENT

Brian passed around the statements through February. He noted that MNA's financial statements are a different format than MCF had done for the TF. MNA is treating all contributions to the TF as "restricted funds" that are released as needed. There is a shortfall of \$1,000 in the lobbying budget (MNA has already paid the bill and will need reimbursement); the Conversation budget has a balance of ~\$6,000; and the general operations budget has a balance of ~\$ 2,000.

Linda Carlson, Barbara Anthony, and Dennis Peterson distributed a draft Fundraising Plan. They propose an annual budget of \$20-25,000, annually raising the funds from previous donors at the same time of year in a membership program (they suggested April). They suggested a letter from Sue be followed up by phone calls from TF members. Dennis reiterated that many should be asked to put the contribution into their annual budget, and the TF will remind them each year. Someone suggested that the TF membership

be asked to give \$50-100 each year, at the same time. Bill suggested using that money to conduct the fundraising effort.

Jim added that the L&L sessions could be additional fundraisers if the costs are covered by corporate sponsorship. If we charged \$30 each for 600 participants, that's \$18,000 (every other year). He thought that it would be reasonable to charge \$50 for 2 CLE credits, a manual, and lunch – especially if the banks are listed as sponsors, and if we have the Governor's endorsement and the TF and MNA as hosts. He said that John Eastman is good at working with the banks for sponsorship. Sue noted that we'd need to hold off on regular fundraising appeals to the banks that sponsor the L&L. Judy suggested charging different prices for those earning CLE credits and nonprofit members who aren't. She thought we should be advertising now, telling potential participants to save their CLE credits for this event.

FUTURES COMMITTEE

Bill explained the process the subcommittee has gone through:

- Looking at the current philanthropic/demographic/state and federal legislative environment
- Assessing where the TF is now
- Looking at the likely alternative futures for the TF, the pro and cons of each, and how the TF could need to organize itself (structure, membership, procedures, program, communications, budget, etc.) to carry each future out
- If an increased budget is required, discussing whether the TF has the capacity to raise it, or whether partnering with other organizations could attract additional resources
- Making a final recommendation(s) to the TF

The group has met twice and will meet again on April 23rd. **Bill has been taking minutes, and will distribute them to the TF in “bite size chunks” rather than create a big final report so as to keep the process open and encourage participation. He will also send the reports to Philanthropy NW, who plans to share the information to the larger foundation community.**

In their discussion of the current environment, Bill noted that Montana made the decision not to spend government money on many services that other states do support. The nonprofit community has to pick up that tab. We have an increasing population of young people as well as an increasing aging population, with a large gap in between. That puts pressure on services. Combined with low unemployment, there aren't enough people to take the needed service jobs.

The second thing they talked about is the TF itself – who we are, what our core values are, how we get work done. He noted that the membership has been incredibly faithful over the 10 years – they wanted to be sure that any recommended changes maintain the positive qualities the TF currently possesses.

Next, they discussed alternative futures – could it be through MNA, serving as the “philanthropy committee”? Does the group want to be more public policy-oriented or project-oriented? If we want to see a full-blown philanthropy plan for the state, who is going to do that, and where would the TF fit in? He noted that currently the TF is only able to do short-term planning.

There was some discussion about the current membership of the TF, that there is not much representation from the philanthropist sector or the corporate sector – both of which had representation in the early years.

NEXT MEETING

It was agreed that the next meeting would held on Thursday, May 17th, at NWPPC. **Because Amy is not able to attend, Sue requested that attendees bring a brown bag lunch.** The meeting adjourned at 1:45.