

## MINUTES

Governor's Task Force on Endowments and Philanthropy  
Thursday, February 21, 2008

### IN ATTENDANCE:

Sue Talbot (Chair), Lt. Governor Bohlinger, Jackie Williams, Sid Armstrong, Dale Burgeson, Terry Chaney, Spence Hegstad, Jean Jenkins, Amy Kelley, Tim McCauley, Dennis Peterson, Bill Pratt, Peter Sullivan.

### JANUARY MINUTES

Spence made a motion to approve the minutes as distributed; Dennis seconded the motion. All approved by voice vote.

### FINANCIAL STATEMENT

There was no financial statement presented, as Brian couldn't attend the meeting. Sue noted that the situation probably isn't very different from the January report. She suggested the group keep in mind the Conversation budget balance, because we might consider it when discussing the Indian Philanthropy Project. She proposed that if the GTF dissolves, she should write a letter of thanks to all GTF financial supporters over the years to tell them what we've done and what happens from here. She would suggest that, since the work will be carried on through MNA, the donors consider supporting that work through MNA. Spence suggested we add a sentence informing them that we'll be sharing our database with MNA — if the donor has a problem with that, please let us know.

Bill noted that if MNA decides to accept our proposal — whatever it ends up being — they may well set up a restricted fund for this purpose. Spence agreed that those funds should be placed in a restricted account. Sue was confident that MNA would manage those funds wisely. Dale noted that the Salvation Army has been giving money to the GTF for lobbying, etc. for years now. He asked that such a letter be sent to him rather than the head of the organization.

### INDIAN PHILANTHROPY PROJECT

Major Robinson was unable to attend the meeting, but drafted a report on the Indian Philanthropy & Nonprofit Group (IPNG). The organizational mission statement on the letterhead reads: "*The Indian Philanthropy and Nonprofit Group is a Native led association that unites philanthropic and nonprofit organizations.*"

Bill reported that the group held their last meeting on January 23rd at MSU Billings, which was hosted by a native American marketing firm there. He said that attendees really enjoyed it because got down to the nitty-gritty. The three things that came out of the meeting:

1. The group decided to create a stand-alone nonprofit [501(c)(3)] that will meet monthly. It includes both Indian and non-Indian entities. Thus far they've been focusing on fundraising. He noted that group members have previous experience in putting together the Indian Business Alliance.

2. They agreed to hire Major on a part-time basis to staff the IPNG when funding becomes available.
3. The Big Sky Institute will be the fiscal sponsor for now.

Dale asked Bill whether other states are doing this type of project. Bill replied that the Potlach Fund does similar work regionally, and there are some national groups, but nothing on a state level like this. Sid added that while the separate tribes do their own fundraising, they've never had an overarching entity to help garner resources. Bill said they will be approaching funders as a team, which is really helpful for foundations like Steele-Reese, which did not have experience in that area. Their board is really interested in the project. Jeanne Wolverton is now being contacted by various Indian entities where previously she had no contact. She told Bill that the IPNG should apply to the foundation for start-up funding by March 1<sup>st</sup>.

Bill wanted to be clear that this group is neither representing the tribes nor looking for the approval of the tribal councils. Its dual focus, which hasn't been hammered out in great detail, is: 1. Building philanthropy by and for Indian people, and 2. Building a nonprofit infrastructure to support existing Indian nonprofits, identify the need/gaps, and find ways to connect with existing nonprofit support entities (e.g. MNA) or build new ones where/if appropriate. Dale noted how the Salvation Army services the individual members of several tribes; they'd like to be able to help them do it themselves, let them know what works and what doesn't. They have offices in small communities all over rural Montana; they're not actual Salvation Army offices — some are through the Sheriff, e.g. But the Salvation Army generates resources that stay in those communities.

Bill added that the group will probably be meeting under the aegis of the tribal colleges. They don't want to be seen as an exclusive group; they'll invite tribal members and other non-Indian entities. Sid noted that the GTF can be proud of helping initiate something that is going to be truly huge.

Budget: Major put together a proposed development budget. Sue had a conversation with Major about it; he said they'd be asking for help from the GTF, as well as other entities. Sue pointed out that if/when GTF dissolves, there will be some issues about how the money is divided. Sue said she doesn't know now how much the GTF might be able to give them. Bill thought that this discussion was "jumping the gun"; the IPNG would making a presentation to the GTF next month. Sid reiterated that some funds were earmarked to carry out recommendations from the Conversation, and that we need to carry out that donor intent (there's a little over \$5,000 in that account).

Timeline: MNA will hold its board meeting in April, and begin their planning process in July. Bill thought the GTF should move ahead while this process goes on, and decide how it would like to spend that money. That said, he thought that we shouldn't even talk about these ideas until we discuss the proposal to MNA.

Sid noted that Blue Cross still has not been asked to print the results of the IPNG proceedings. The notion was that the document could be used to present information and

market the project. Bill said they want to pull the organization together more first. Sid wants to make sure we don't lose sight of it, and that it should be included in the "in kind" section of the budget. **Bill will communicate that to Major.** In addition, he will communicate that they should lay out the organizational program in order to seek funding.

Sue asked if there were any other questions about Major's draft proposal. Major plans to attend the March meeting, and can answer more questions then.

#### **GTF FUTURE: DISCUSSION OF BILL PRATT'S DRAFT PROPOSAL**

Bill had distributed a draft of the proposal to MNA to all GTF members the week before the meeting. Since Dorcie could not be at the meeting, she had sent Bill a list of proposed edits. The group went through them line by line, and agreed on most of them. Bill took notes on all suggested edits.

Sue thanked Bill for all of the work he did. Bill thanked Brian and Dorcie for helping with the draft. He described to the group the process he went through. First, he presented to Brian what the GTF wanted:

1. Continuation of the public policy work (e.g. maintaining the tax credit);
2. Continuation of educational efforts (e.g. the Lunch & Learn sessions);
3. Follow-up on recommendations from the Conversation(s); and
4. MNA's commitment to take all of this on as a major program initiative.

After the GTF agrees on the proposal text, we would submit it to MNA board in April. Prior to that, the idea would be to have meetings with Brian, Sue, other GTF members, and the president of MNA (Andrea Vernon) before the proposal is formally introduced. The MNA board would then have to decide whether they want to accept that responsibility. If the GTF is satisfied with their response, MNA would then identify other stakeholders (some of which have been identified in the proposal), bring them together — if they are willing — in a "Roundtable" to find out what is going on with everyone, philanthropically. This would establish a baseline, asking the question "what should be done differently?" Once that is defined, MNA would pull together a plan, identify their role (MNA wouldn't have to take on all of the pieces), and then implement the plan. Brian was thinking that the Roundtable would meet quarterly.

Dale suggested that Steve Browning review the proposal. **Bill will send him the 2<sup>nd</sup> draft.**

The group went through the draft proposal line by line, suggesting edits. Sid wanted to address lines 30-34, to expand on it for purposes of clarification. She'd like to add a sentence or two on how the GTF was created, and also how the GTF went through its own process on what its future could be. The Governor only agreed that the GTF dissolve because it was suggested to him by GTF members. **Sid will draft that language.** She also wanted to clarify that the Governor offered not just to put his name on things, but "to continue to actively support — including lending his name, where

appropriate.” It’s a more meaningful offer. The Lt. Governor agreed. Sid added that we need to point out that the Lt. Governor has been a regular participant. Bill noted that some of these clarifications aren’t necessary, since the formation of the GTF will be documented in the attachments.

**Sue suggested printing the attachments on different colored papers.**

Dennis raised a point about fundraising — if MNA is to take on a new area, they’ll need to be able to raise new funds in order to do it in a full-fledged way.

Feedback re: Step 1. This should be part of the planning process the MNA is going through right now. Spence suggested that this group take the attitude that we’re turning things over to MNA and perhaps — hopefully — some of us will be asked to participate in this process. Tim didn’t like the use of the word “should” throughout the draft — he thought it better to ask them to “consider” the various pieces in the proposal. Others agreed. One suggestion was to include a timeline — at least up to the point of the roundtable, after which whatever develops will have its own timeline.

Feedback re: Step 2. All agreed that this was not really a step; it should be incorporated into Step 1. Tim wanted to make sure that the proposal identified the assets other than money that the GTF is bringing to this merger —e.g. our web site. Spence added that another asset is the people: we offer ourselves if they want to accept. Bill said it’s all attached in the appendices, but maybe they need to be specified in the proposal — pluck them out and bring them up front. Dale wanted to be sure that there remains a focus on endowments.

Feedback re: Stakeholders. Several additions were suggested: the Hospital Development Association, churches, both university foundations, government, business (Washington Foundation and/or Qwest), community colleges, tribal colleges, donors of note, the diocese, MT association of churches, educational foundations. **Bill will send the revised draft to all GTF members before the March meeting.**

### **NEXT MEETING**

It was noted that Easter falls on the 23<sup>rd</sup> — many could be away on vacation for the regular third Thursday. **Amy will poll GTF members — especially Major and Brian — about whether they prefer to meet on the 20<sup>th</sup> or 27<sup>th</sup>.** [NOTE: It was agreed after polling that the next meeting date would be Thursday, March 27<sup>th</sup>, at the Northwest Power Planning and Conservation Council.]

Meeting adjourned at 1 p.m.

ATTACHMENT 1

**DRAFT #1 - FOR INTERNAL USE ONLY**

**DATE:** February 18, 2008

**TO:** Board of Directors, Montana Nonprofit Association

**FROM:** Susan Talbot, Chair, Governor's Task Force on Endowments and Philanthropy

**RE:** Expanding MNA's role in philanthropic and endowment development

**Purpose:** To propose to MNA that in its long-range planning it considers creating a leadership role for itself in building Montana philanthropy as a service to the nonprofit sector, its members and the state.

**Preamble:** In 2006, MNA became the fiscal sponsor of the Governor's Task Force on Endowments and Philanthropy (GTF) after the fiscal sponsor relationship with the Montana Community Foundation, which GTF had since its inception, terminated. The relationship with MNA has proved to be beneficial and successful as not only have MNA lobbyists carried the GTF's public policy focus regarding the Charitable Endowment Tax Credit to a successful re-enactment during the 2007 session, but also MNA was significantly involved in implementing the 2007 Lunch and Learn Sessions co-sponsored with the Yellowstone Boys and Girls Ranch Foundation.

Since the beginning of the MNA/GTF relationship Brian Magee, executive director of MNA has consistently communicated to the GTF the need for MNA's board to have a clear understanding of (1) the changing nature of philanthropy in Montana as well as identified needs, and (2) GTF's vision, direction and plans for the future. In addition, if it is to be a long-term relationship, there is an underlying question of how this might become a part of MNA's on-going program.

In addition, Governor Schweitzer has indicated that he would prefer that GTF dissolve because he thinks that there are currently too many advisory types of council within state government. However, he said that he would put his name on programs, e.g., Governor's Conversation on Endowments and Philanthropy, and was willing to use the leverage of the Governor's Office to further the mission.

Since its inception, and after more than a decade of successful public policy, educational and communications activity to develop of endowments and philanthropy, the GTF has been well aware of the need to augment its core activity by providing information regarding philanthropy, charitable giving and endowments to specific audiences such as professional advisors as well as to the general public. However, except for public relations and marketing integral to its program, the GTF has not had the capacity to put

these plans into action or to be involved in a more rigorous development of a philanthropic development network.

See: Attachment A - Governor's Task Force on Endowments and Philanthropy: A Short History

### **The Work GTF Has Done So Far:**

In 2007, to begin to address the issues posed by MNA, the GTF convened a Futures Committee to review its organizational history, culture and capacity, as well as the current state of philanthropy in Montana and elsewhere. The Committee also looked at possible organizational options for GTF, including obtaining its own 501(c)(3) status. The Committee provided the GTF with various papers reflecting its findings and also compiled *The Current Philanthropic Environment*, which reported that the philanthropic landscape in Montana had changed substantially since the GTF's creation 13 years ago. Here are some highlights of that report.

- There has been significant growth in the nonprofit sector
- In spite of substantial growth in the number of foundations, fundraising still remains a major challenge for the sector and the state continues to lose ground in terms of absolute dollars in foundation assets.
- The statewide community foundations boasts of \$55 million in assets and 50 Montana communities now have local community foundations.
- Endowments have grown significantly since 1994 in part because of Montana's Charitable Endowment Tax Credit. The State of Montana has also created a number of trusts for public purposes. Montana Department of Revenue estimate that, since its passage in 1997 through 2007, the tax credit will have generated more than \$100 million in permanently endowed assets for the state's charities.
- There is increased collaboration among foundations on a number of fronts, e.g., the Montana-Wyoming Funders group and the Organizational Effectiveness Grantmaking Program effort.
- Workplace giving through United Ways, Montana Shares and the State Employee Giving campaigns continue to grow.

See: Attachment B: Observations from *The Current Philanthropic Environment* report

**Proposal:** The GTF is ready to address the next stage in its development and believes that it is important to build on the solid foundation it has created. The GTF now looks forward to embracing an exciting, bold strategy to make an even greater impact on future philanthropic development in Montana. The GTF suggests that the MNA consider beginning the development of a program to play a key role in the development of endowments and philanthropy in Montana by engaging in the following:

Step 1. MNA should formerly integrate and expand the current work of the GTF in policy, training, some education and, communication, e.g., website, as well as

investigating the recommendations proposed at the 2006 Governor's Conversation on Endowments and Philanthropy, and helping to implement them when appropriate.

The Governor's Task Force on Endowments and Philanthropy as it currently exists is dissolved  
GTF's work is preserved and carried on by MNA.

Step 2. Since the creation of the GTF other philanthropic development stakeholders have emerged that are working on local, sub-state, and state-wide levels. In addition there are other aspects of philanthropic development that have yet to be tackled, e.g., large-scale public awareness, research, etc.). However, the efforts of these stakeholders is often fragmented and there is no comprehensive plan. In addition, there is no place to loft new ideas to develop philanthropy and draw upon the wisdom and knowledge of these stakeholders.

Step 3. MNA should use its role as a convener to bring these stakeholders together through the creation of a Philanthropic Roundtable to explore developing a comprehensive plan that maximizes resources and may make Montana philanthropy development projects more attractive to regional and national funders through cooperative and collaborative activity. Some of the stakeholders may be drawn from the former GTF, quite a few would be new.

This process will no doubt assess the current level of activity and identify additional work that needs to be done and/or strategies that need to be investigated – some of which may be directed by MNA and some by other partners. It may also call for an ongoing coordinating entity to see that work moves forward with the resources needed. This is a possible role for MNA (leadership) in addition to MNA actually delivering program activities (policy, education, etc.)

Through this process, it will become clear whether or not a formal MNA philanthropy advisory group is needed (or even desired) over the long term to support this work and what the make-up of that group would be.

**Some Process Questions:** Preliminary work would need to be done to identify stakeholders and to assess the level of their interest and anticipated involvement. This initial investigation/market survey might also assess what resources are available to support the effort. For example, it might lend itself to part of a planning grant from one or more of the funders at the 2006 Governor's Conversation.

The recommendations do suggest that MNA would take the lead on convening the Philanthropy Roundtable. Because of the investment involved this would truly need to be a formal, integral and staff supported part of MNA's overall program

If approved, the Philanthropy Roundtable might need to work with MNA to refine the game plan and help identify possible funding sources for the initial steps.

**Possible Stakeholders for Roundtable:**

Association of Fundraising Professionals, MT Chapter,  
Big Sky Institute for the Advancement of Nonprofits  
Indian Philanthropy and Nonprofit Group,  
Legacy Montana  
Missoula Major Donor's Network  
Montana Community Foundation,  
Montana Horizons Program, MSU, Extension  
Montana Nonprofit Association  
Montana Wyoming Funders Group  
Organizational Effectiveness Grantmaking Program  
University of Montana, Nonprofit Leaders  
    Program of American Humanics  
Western Montana Fundraisers Association  
Workplace Giving (United Ways/Montana Shares)  
LCFs not associated with MCF  
Professional Advisors  
Donors of note