

**MINNESOTA  
COUNCIL OF  
NONPROFITS**

# Nonprofit News

Information and connections for Minnesota's nonprofit sector

Fall 2017

The mission of the **Minnesota Council of Nonprofits** is to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector.



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## St. Paul PILOT Not a Revenue Solution

By Rebecca Lucero, MCN public policy director

Throughout the summer of 2017, the Citizen's League convened a task force charged with answering the question: "Is a 'payment in lieu of taxes (PILOT)' model advisable for Saint Paul, and how would the program be structured and sustained if so?"

MCN was proud to have a seat on this task force to represent the nonprofit sector. Along with 22 other members representing community members, business owners and nonprofit leaders, we worked all summer long in frequent, process-full meetings resulting in a report to the Saint Paul City Council in

September 2017.

Ultimately, the working group came to important conclusions: There is no legal authority for such a program to exist. Additionally, the group determined that such a program should not be viewed as any sort of solution to Saint Paul's significant budget gaps or long term financial challenges. The fact that the working group could not endorse a program is important, and that says something.

Of course, many nonprofit organizations are keenly aware of the budget circumstances facing the City. In fact, nonprofit organizations are facing similar budget

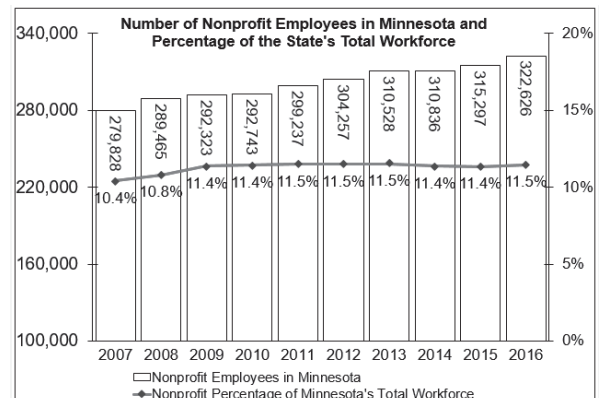
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## Nonprofit Employment in Minnesota Shows Steady Growth, with Modest Wage Increase

What is happening to wages and employment in Minnesota nonprofit organizations? That question is the focus of the "Minnesota Nonprofit Economy Update," released at the 2017 MCN Annual Conference on October 13 by MCN and Hamline University Nonprofit Management Programs (and available at MCN's website under "About Nonprofits").

From 2007 to 2016, nonprofit employment (outside of hospitals and higher education) grew an average of two percent per year. Overall, there has been a 20 percent growth from 2007 to 2016 when

comparing the number of nonprofit employees outside of hospitals and higher education over the last 10 years. (Due to their large size and special revenue sources, including nonprofit "eds and meds" in the data can have a disproportional



*Continued on page 3*

### Nonprofit Bits

#### MCN's Most Popular Training – Now Available Online

Practical Leadership: Supervising for Employee Engagement, with nonprofit strategist Lisa Negstad, is MCN's most popular and well-reviewed in-person training. Now available in a live, online highly-interactive three-part format (combining presentations, conversations, and individual reflection between sessions), new and experienced supervisors will learn about and practice tested tools and tactics and will feel immediately more confident in and comfortable with their supervisory skills. For more information on virtual offerings in 2018, visit our events calendar.

# Staying Legal, Philanthropy Information Going Online and Minnesota's Growing Nonprofit Sector

By Jon Pratt, MCN executive director

You don't need to be an attorney to serve on a nonprofit board or manage a nonprofit organization, but you do need to know when you need answers to questions about the legal mandates or opportunities for your organization. After all, ignorance of the law is no excuse.

For this reason MCN is publishing a new member resource, available in early 2018, the *Minnesota Nonprofit Legal Handbook* as a desktop resource, organized into 650 questions and answers in a number of major subject headings:

- Nonprofit Corporation Requirements
- Tax Exemptions
- Charitable Solicitation Registration
- Charitable Donation Regulations
- Boards of Directors
- Lobbying and Election Activity
- Financial Accountability
- Human Resources
- Insurance
- Disclosure and Privacy
- Contracts
- Intellectual Property
- Ongoing Compliance Issues



Nonprofit legal compliance is a necessarily technical exercise, and complicated by the fact that half of the laws and regulatory structures applying to nonprofits are state jurisdiction and half federal.

The *Legal Handbook* was edited by Rinal Ray and includes contributions from over 50 attorneys from Minnesota's nonprofit bar. We expect the handbook will become one of MCN's most popular resources.

## [More info on Minnesota's extraordinary foundations -- now online](#)

For the last 20 years, MCN has produced a print publication, *The Minnesota Grants Directory*, with information on 120 of Minnesota's most active private, corporate and community foundations. With the launch of the new GrantAdvisor crowd-sourced website, MCN is migrating *Grants Directory* information to an accessible online format at [GrantAdvisor.org](http://GrantAdvisor.org)—just look for the “Expanded Grants Information” tab the 20 Minnesota funder's online profiles.

Now, three months into its launch, GrantAdvisor's startup task is to continue to expand its user base and increase the body of actively used information. A frequent early question posed to GrantAdvisor's founders was “What do you expect the tone and perspective of user comments will be (including a fear that they would be overly negative)? After 800 thoughtful (and some pointedly critical) reviews, thus far the average positive ratings across this group are 79 percent, ranging from foundations receiving 100 percent positive marks to 100 percent negative marks. The average positive rating on accessibility is 73 percent.

## [Nonprofit employment and wages are up, number of nonprofit employers is down](#)

Each year MCN produces the Minnesota nonprofit economy report to track changes and trends in Minnesota's nonprofit sector. MCN is grateful this year to add a key partner to help analyze the data, Hamline University, under the leadership of Jeannie Fox (professor and director, Nonprofit Management Programs) and Dr. Jae Hwan Lee (assistant professor of marketing, management, and public administration). Elsewhere on these pages, you can see charts of some of the employment trends at work, including continued growth in the nonprofit workforce and gradual progress on nonprofit wages.

One of the most interesting developments from the 2016 data is the steady reduction in the number of Minnesota nonprofit organizations with at least one employee, down 17 percent over the last ten years. There is no ideal number of organizations, so this isn't necessarily good or bad news, but it should put to rest fears that we have unsustainable growth in the number of nonprofits.

## St. Paul Nonprofit Tax Exemptions, Not PILOTS, Upheld

Continued from page 1

circumstances and face increased service demand as cuts are proposed at every level of government—especially some particularly harmful cuts at the federal level that could gut the state and local budgets. This is yet another further reminder that the City, its citizens and tax-exempt organizations all share the common goal of working in and toward the public interest; that our “fates remain intertwined and [our] successes remain dependent on each other.”

One of the most interesting clarifications made in the report is the fact that Saint Paul isn’t special when it comes to the number of tax-exempt organizations that are within its borders, which was surprising for many on the committee. In fact, Saint Paul is similar to other “cities of the first class” (Minneapolis, Duluth and Rochester) in its percentage of tax-exempt properties and as a percentage of its overall property value.

This was an important finding to underscore the fact that a PILOT program could not be the solution, as tax-exempt organizations simply aren’t the problem to a very complicated budgetary situation.

Despite making it clear that there is no legal authority for such a program, the conversations around PILOTS persists both in Saint Paul and around Minnesota. This is disappointing, as we’d love to focus more on partnerships around the tremendous assets we each bring to the table (community, government, nonprofits and businesses). But, following the 2016 Minnesota Supreme Court ruling, *First Baptist Church of Saint Paul, et. al. vs. City of Saint Paul*, finding that taxes cannot simply be mis-coded as “right of way fees” when they are, in fact, taxes. Local governments in Minnesota have to abide by the new ruling and are subject to all the rules

governing local taxation. As a result, several cities need to examine their fees to make sure they aren’t actually taxes. MCN will be part of that conversation across the state.

Throughout these discussions, MCN stresses how nonprofits are essential community resources that contribute generously to the health, wealth and vibrancy of Saint Paul and Minnesota as a whole. This is ultimately about community and the people that make up that community—the people who live, work, grow up, grow old and thrive in Saint Paul.

The City’s nonprofits are essential partners within this community. Like community members, nonprofits care deeply about their community. MCN will be continuing to seek enforcement of charitable Constitutional protections from municipal stratagems.

## Nonprofit Economy Report Highlights the Nonprofit Sector’s Strength

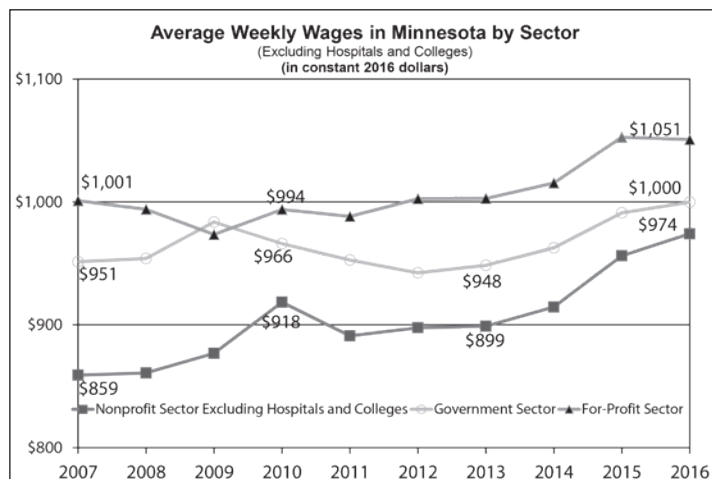
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tionate effect on employment statistics, so these reports present numbers both with and without these activity areas.)

The chart to the right shows how wages have grown in four nonprofit activity areas, with the greatest increase in healthcare wages. Over the last ten years, average nonprofit wages have grown beyond inflation by 13 percent for healthcare, 8.5 percent for arts, entertainment and recreation, five percent for education and two percent for social assistance. This compares to an overall Minnesota wage growth across all industries of three percent from 2007-2016.

However, while the overall nonprofit average annual wage (without hospitals and colleges) is lower than employees of business and government, a different picture emerges when comparing median wages within the same activity

area. Nonprofit median wages compare more favorably, and are often higher than for-profit wages, in areas such as arts and entertainment, health care, individual and family services, child care and community services.



A complete edition of the “Minnesota Nonprofit Economy Report,” with regional breakdowns and further analysis, will be available at [www.minnesotanonprofits.org](http://www.minnesotanonprofits.org) in December of this year.

## With President Trump Ending DACA, Congress Needs to Act to Support Immigrants and Economy

By Clark Goldenrod, Minnesota Budget Project senior policy analyst

President Donald Trump's administration has announced that it will eliminate Deferred Action for Childhood Arrivals (DACA). This decision will uproot the lives of around 800,000 young people, also known as "dreamers," who have received temporary work permits and relief from deportation.

Over 6,000 dreamers live in Minnesota. They came to the country as children, and many are living, studying, and working in the only country they call home. The president's action will be incredibly harmful to our DACA neighbors, classmates, and coworkers, while also striking a blow to communities and local economies in Minnesota and across the United States.

DACA was created in 2012 as a common-sense way to recognize the contributions of immigrants, including bringing greater cultural diversity and revitalizing struggling cities and towns.

It also reflects the investment that we have made in the young people who have grown up here.

Our state faces a tightening job market and an upcoming labor shortage, and DACA is important for building the workforce Minnesota needs. As older Minnesotans are retiring, there aren't enough U.S.-born Minnesotans to take their places. Minnesota can't afford to leave qualified workers on the sidelines and will increasingly need to rely on immigrant workers to fill critical roles in the state's workforce.

DACA is an important tool in building that workforce. Recipients have been able to pursue educational opportunities they otherwise wouldn't have had access to. DACA recipients can also fill higher quality jobs that better match their skills, and can get to and from their jobs more reliably thanks to their ability to gain driver's licenses. It's estimated that

immigrants receiving the benefits of DACA see a five to ten percent increase in their wages. DACA recipients also contribute an estimated \$15 million in state and local taxes annually in Minnesota. But ending DACA and erecting more barriers takes us in the opposite direction. Nationally, removing DACA recipients from our communities would wipe away an estimated \$280 billion to \$460 billion from the U.S. economy over the next 10 years.

Instead, federal policymakers should act to protect DACA recipients and seek additional ways to build a more inclusive society and strong economy. This includes passing legislation such as the Dream Act, which would provide lawful permanent status for DACA recipients.

If you are working with a DACA recipient and have questions about how they will be affected, you can contact the Immigrant Law Center of Minnesota.

## GrantAdvisor Continues to Grow Crowdsourced Grantmaker Information

In our last issue, we introduced you to GrantAdvisor.org, a review site that crowdsources grantseeker feedback and encourages foundations to respond. Since its launch in July, the site has garnered 780 registered reviewers from 47 states and five countries, and over 135 funders have appointed key contacts to respond to reviews on their profiles. Over 45 foundations are "live," meaning they have more than five reviews.

Of the 45 live foundations, 19 of them are in Minnesota:

Bush Foundation, Otto Bremer Trust, Charles K Blandin Foundation, Wells Fargo Foundation, 3M Foundation, McKnight Foundation, Minneapolis Foundation, The Saint Paul Founda-

tion, U.S. Bank Foundation, Mardag Foundation, Margret A Cargill Foundation, Hugh J Andersen Foundation, Blue Cross and Blue Shield of Minnesota Foundation, Pohlad Family Foundation, Medtronic Communities Foundation, Medica Foundation, Northwest Area Foundation, RBC Foundation USA, Duluth Superior Area Community Foundation.

Others, like the Blandin Foundation in Grand Rapids, MN, have reached out to grantees to invite reviews.

"We welcome all constructive feedback, both negative and positive!" Sonja Merrill, director of grants at the Blandin Foundation, wrote in an email to the foundation's recent grantees. "In addition to helping us, your feedback will also help future grantseekers know how to best work with us," she said.

As we look forward to 2018, we promise to ensure that

GrantAdvisor remains a place for mature conversation where grantmakers and grantseekers honestly explore how to best partner in serving our communities.



# GrantAdvisor

As reviews from our nonprofit colleagues come in, many of these foundations have engaged with the site in exciting ways—like sharing reviews at board meetings or including a link to the survey in their email signature.

### State and Federal Policy - Where Are We?

*By Rebecca Lucero, MCN public policy director*

It's the time of the year where nonprofit organizations across the state are looking towards the 2018 Minnesota legislative session to finalize policy agendas and plan for effective advocacy with state legislators. As we head into 2018, effective engagement opportunities are a bit more unclear than we'd usually like at this point in the year. So, how do we plan to engage? Where are we as we head into 2018?

The Minnesota state budget operates on a two-year (biennium) cycle. The budget year for this biennium was 2017. Importantly, this means there is nothing that must be passed in 2018. It's worth stressing, because in the middle of session, media, legislators and advocates can forget that there is nothing that must pass.

While 2018 is a bonding year, with an (arguably large) bonding bill passed in 2017 and the Senate's cancellation of a bonding tour this fall, it could be tough to pull together the bipartisan support required for any sort of substantial bonding bill in 2018. Why does bipartisan support seem extra challenging in 2018?

The relationship between Governor Dayton and Minnesota legislators is in an extremely challenging place right now. In May of 2017, after a long session full of disagreements, a hand-shake deal within hours of adjournment, a special session, a \$650 million tax-cutting package, a bonding bill and, of course, a two-year state budget, it seemed like all would be done and relationships could heal over the summer.

On May 30, 2017, however, Governor Dayton signed all of the budget bills and the tax bills to prevent elimination of funding for the Department of Revenue, but he also line-item vetoed about \$130 million in funding for the House and Senate. Dayton has stated that he did so because he wanted to compel lawmakers back to the table to discuss his concerns, including tax breaks such as the state's estate tax, changes to teacher licensure laws, and a proposal that prevents undocumented immigrants from being issued driver's licenses. From the nonprofit sector, we've followed this debate closely, as these issues impact nonprofits and the communities with whom we partner for years to come.

Ultimately, legislators took Governor Dayton to court this summer, opposing the line-item veto of the Legislature's funding. The Minnesota Supreme Court upheld Governor Dayton's line-item veto but required mediation. But a failed mediation and continued legal battles means that the already difficult relationship persists as we head into 2018. At the same time, 2018 elections are heating up across Minnesota, including the race for governor. With so many members of the legislature vying for the governorship, it is shaping up to be a year of divisions and frustrations, not cooperation or results.

So, what does that mean for nonprofits in 2018?

Legislation can take years to move, and measuring success can be complicated, especially in years like 2018. What emerges, given this, is the importance of nonprofits keeping a long-view approach to our policy work, remembering the power we have with our communications and community engagement arms of our advocacy, and the importance of partnerships and coalitions. This is an opportunity to focus and provide clarity around goals, strategies and tactics to determine the most effective engagement opportunities in the coming years.

Session convenes on February 20, 2018, and adjourns in mid-May. It will be a quick, but intense, session and MCN looks forward partnering with you and serving as a resource as you advance your advocacy agenda at any level of government in 2018 and beyond.

We look forward to seeing you at our annual Session Line-up on February 23, 2018. And, of course, you can find out more about opportunities to be engaged at the federal level at MCN's [www.nonprofitfederalpolicyMN.org](http://www.nonprofitfederalpolicyMN.org).



## Nonprofit Awards and Advancements



Ryan Petersen was named vice president of development at Catholic Charities of Saint Paul and Minneapolis.



Partners for Affordable Housing named Jen Theneman as executive director.

Rita Apaloo joined AccessAbility, Inc. as director of development and marketing.

Lutheran Partners in Global Ministries hired Dan Ruth as executive director.



Andrea Smith named vice president of development at Scholarship America.

Bii Gii Wiin Community Development Loan Fund has hired Kim Strand as business success coach and program manager.

MoveFwd hired Sarah Granger, MSW, LICSW as executive director.

Aja Tashjian joined AdoptAClassroom.org as digital giving manager.



Aeon hired Blake Hopkins as its new vice president of housing development.

Kristen Poppleton was promoted to director of programs at Climate Generation

Steve Sallee will join the Southeast Service Cooperative as its new executive director on January 1, 2018.



Amy Marret joined YWCA Minneapolis as the director of individual and planned giving.

Animal Humane Society welcomed Astrid Kammuller as director of Kindest Cut.



Propel Nonprofits is the new name for the merged MAP for Nonprofits and Nonprofits Assistance Fund.

### Congratulations to the 2017 Virginia McKnight Binger Unsung Hero Award Recipients



Angela Edwards, Minneapolis



Abdirizak "Zack" Mahboub, Willmar

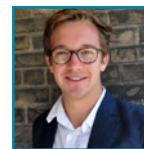


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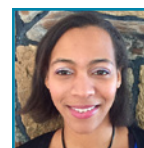


Jon Vang, St. Paul

### New Minnesota Council of Nonprofits Staff



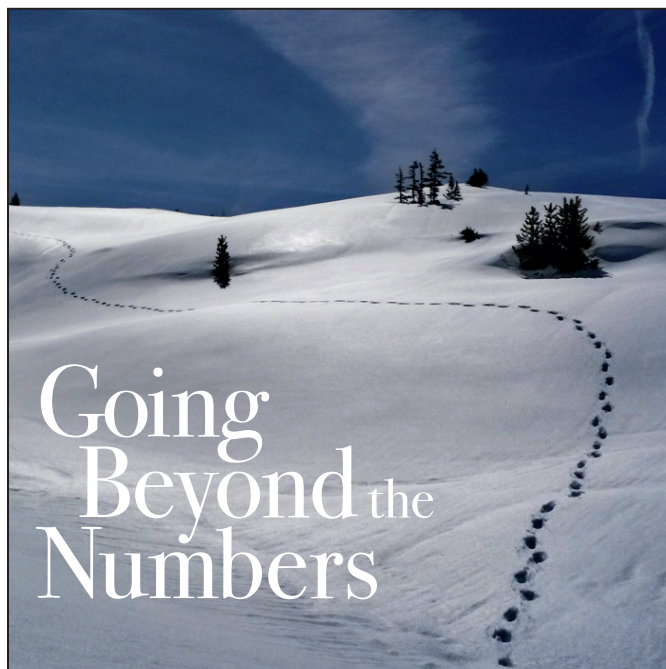
Taylor Putz was named public policy advocate at MCN. Taylor previously served as community relations & outreach manager at Prepare + Propser.



Ashley Charwood was named Northwest Minnesota regional coordinator. Ashley is employed as an early childhood screening team member for the Bemidji School District and has been an active board member with Bi-County Community Action Programs.

#### Submit Your Announcements

Visit MCN's Sector News at [www.minnesotanonprofits.org/sector-news](http://www.minnesotanonprofits.org/sector-news). MCN member organizations are invited to submit your organization's awards, staffing announcements and other news to [scrumrine@minnesotanonprofits.org](mailto:scrumrine@minnesotanonprofits.org).



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## 2016 Mission Award Winner for Responsive Philanthropy: Minnesota Initiative Foundations

The Minnesota Initiative Foundations (MIFs) are six regional foundations working to strengthen the communities and economies in the 80 counties of Greater Minnesota. Established by The McKnight Foundation in 1986, each foundation is independent and serves its geographic region with grants, business loans, programs and priorities and donor services, as well as collaborates on several statewide initiatives. Over the years, the MIFs have collaborated on a number of issues of importance to Greater Minnesota communities. Recognizing that high-quality early care and education is the most important investment communities can make for the future, the Minnesota Initiative Foundations began the Minnesota Early Childhood Initiative (ECI) in 2003 with the goal to ensure that every young child in Greater Minnesota has the best possible start toward a healthy life of learning, achieving and succeeding.

Through the ECI, the six MIFs have helped to form more than 90 early childhood coalitions encompassing more than 300 Greater Minnesota communities. These cross-sector, grassroots coalitions have pioneered innovative responses to pressing local early care and education needs.

The Minnesota Initiative Foundations collaborate well-beyond early childhood efforts, however. In 30 years, they've collectively made over 4,400 loans that have in turn created or retained more than 45,000 jobs. These loans have also leveraged more than \$1.3 billion of other investments, substantially spurring new partnerships and contributions to Greater Minnesota.

Additionally, the Minnesota Initiative Foundations have catalyzed rural philanthropy at the community level. In the 1980s, only 9 percent of Minnesota's charitable dollars was directed



toward rural Minnesota communities, compared to 66 percent for the metro area. The MIFs oversee the endowment funds of several communities and individual and corporate donors, allowing residents of smaller towns to raise funds for community-led projects and families and businesses to support work important to them. The MIF's collective endowment total now surpasses \$276 million. All six MIFs are in the top 25 Minnesota Community/Public Foundations and Public Charity Grantmakers (2014).

Through the investments and collaborations the Minnesota Initiative Foundations have made, they've connected Greater Minnesota communities with each other and given them a voice with state-level departments, agencies and organizations. Together they continue to drive change in how communities and policy-makers address the needs of Greater Minnesota communities, and, more importantly, help empower these communities to create their own solutions. Their unique ability to respond to the diverse needs of the 80 non-metro counties of Minnesota has led to incredible programs and lasting outcomes.

As a result of the Minnesota Initiative Foundations unique vision for

philanthropy, nonprofits and communities throughout Greater Minnesota are stronger, more vibrant and better equipped for success. The Minnesota Council of Nonprofits and MAP for Nonprofits were pleased to present the organization with the 2016 Mission Award for Responsive Philanthropy.

To learn more about the Minnesota Initiative Foundations, as well as their past and present programs and services, visit [www.greaterminnesota.net](http://www.greaterminnesota.net).

### 2017 Nonprofit Mission and Excellence Award Recipients Announced!

The Minnesota Council of Nonprofits and Propel Nonprofits were pleased to celebrate the recipients of the 2017 Nonprofit Mission and Excellence Awards at the MCN Annual Conference on Friday, October 13 in St. Paul.

This year's award recipients were: City Stay, Commonweal Theatre Company, Hopewell Music Cooperative North, Mary's Pence, Muslim American Society of Minnesota and Project for Pride in Living.

To watch videos of this year's awe-inspiring award recipients, please visit [www.minnesotanonprofits.org/mission-excellence-awards/2017](http://www.minnesotanonprofits.org/mission-excellence-awards/2017).

**Update your record with MCN:**  
by emailing MCN at [info@minnesotanonprofits.org](mailto:info@minnesotanonprofits.org).

## Federal Budget Proposals Threaten Positive Economic Trends

Minnesotans' incomes are up and our rate of health insurance coverage is at a historically high point, according to U.S. Census data released this fall. But the numbers disguise harmful threats on the horizon that could have significant repercussions in our communities and the nonprofit sector.

Minnesota's median household income of \$65,599 in 2016 was nearly \$8,000 above the national figure, and at 9.9 percent, the share of Minnesotans living in poverty was well below the national figure of 14 percent. In 2016, only 4.1 percent of Minnesotans went without health insurance, much lower than the 8.2 percent of those who went without insurance before the full rollout of the Affordable Care Act.

Unfortunately, those gains may be fleeting. Federal policymakers are proposing serious funding cuts that will make it more difficult for Minnesota to continue to make the kinds of investments in our communities that strengthen our state and build shared prosperity.

President Donald Trump, and the U.S. House and Senate, have put budget plans on the table that significantly cut into annual non-defense appropriations, a substantial portion of which goes to


state and local governments. The plans include massive cuts to health care funding, including Medicaid, which helps Minnesotans of all ages access the health care they need. They also would make deep cuts in assistance to lower-income families through other critical supports like SNAP food assistance, unemployment insurance and student loans. In addition, the tax plan under consideration includes significant tax cuts—in the trillions of dollars over ten years—with most of the benefits going to corporations and the highest-income households.

The federal budget plans put forth to date would take our nation and state in the wrong direction, and would put enormous pressure on our nonprofit

organizations. Minnesota nonprofits are vulnerable from multiple angles: federal funding cuts would harm nonprofit revenues directly, while fewer state and local resources would be available to share among multiple priorities. And federal funding cuts can be expected to increase demand for the services and supports many nonprofits provide.

Federal and state policymakers need to hear the priorities of Minnesota's nonprofit leaders and what policies

will strengthen our communities. Visit MCN's federal website for advocacy tools and information to help you do so.

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