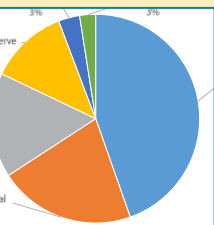


# Nonprofit News

## SPECIAL EDITION: A Session Wrap-Up



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### Legislators Unite to Volunteer

Before they become elected officials, most state legislators are actively involved in their communities as volunteers serving on boards and advocating for issues that strengthen the community. Knowing this, State Representatives Jenifer Loon (R-Eden Prairie) and John Ward (DFL-Baxter) developed the House volunteer caucus called LUV2 (Legislators United to Volunteer) as a way to help legislators continue their community involvement in St. Paul.

As two legislators who have enjoyed a friendship “across the aisle,” they have successfully bridge their political differences to invite their House colleagues to help support the nonprofits that serve the Capitol city. Their efforts also bring legislators together to foster bi-partisan friendships while doing something to benefit the community. With two successful years under their belts, they look forward to continuing and expanding the effort in the future. MCN had the opportunity to speak with Representatives Loon and Ward about LUV2 in an recent interview.

**Rep. Loon:** We all know so much about our own districts. This gives us the opportunity to learn about the urban areas, how nonprofits operate and what strategies

*Continued on page 3*

### Nonprofit Coalitions Affect Legislative Change

Nonprofit organizations in Minnesota are a force for change. Every legislative session, organizations that have participated in MCN advocacy trainings work to advance their missions through legislative advocacy and law changes for the public benefit. This is one example of nonprofit advocacy in action.

Janie started to ask around and research state policy, discovering that other states were passing naloxone laws. She wanted to make the same happen in Minnesota. It took four links through someone in New Jersey, Illinois, and New York for Janie to connect with Lexi Holtum, the vice president of the Steve Rummmler Hope Foundation.

Janie Colford, chair of the 911 Good Samaritan Coalition, lost her nephew to a heroin overdose last year. At her nephew’s funeral, Janie learned about naloxone, an antidote to opiate overdose. She said, “Once I found out what it was, I thought everyone for whom this is a risk should have access to naloxone.”

Steve Rummmler was Lexi’s fiancé; he died of an overdose in 2011. At the Foundation, Lexi and her team work to heighten awareness of the dilemma of chronic pain and the disease of addiction and to improve the associated care process.

*Continued on page 3*

MCN is pleased to offer its members this Special Edition Nonprofit News to recap the 2014 Legislative Session.

For more information on MCN’s work at the Capitol, visit [www.minnesotanonprofits.org](http://www.minnesotanonprofits.org), or subscribe to The Nonprofit Advocate at [www.minnesotanonprofits.org/subscribe](http://www.minnesotanonprofits.org/subscribe).

### Numbers Count, Capitol Capital Success, Tax Day Contributions

By Jon Pratt, MCN executive director

One of the final bills signed by the governor has huge positive impacts for many nonprofits. The 5% rate increase for Home and Community Based Services goes part of the way to address the underlying issue of inadequate reimbursements. The 5% campaign was led by ARRM (a nonprofit association of 150 providers, businesses and advocates dedicated to leading the advancement of community-based services that support people living with disabilities) and The ARC of Minnesota, with the support of over 100 organizations.

#### Nonprofit Capital Success at the Capitol

Several nonprofit capital campaigns got a major boost in the final version of Minnesota's bonding bill. Many nonprofit organizations received substantial resources through this process, some of which are listed on the right.

While most capital investments in bonding bills underwrite various state and local government projects, state bonding also presents a strategic opportunity for public-private partnerships with nonprofits that have distinct needs and provides broad impact. In the case of nonprofit projects, state funds leverage substantial private contributions and make possible a scale and quality that organizations could not achieve on their own. MCN members can learn more about using bonding as a part of their capital strategy through MCN's upcoming 2015 advocacy training series.

#### April 15th as a More Persuasive Tax Day for Charitable Contributions

MCN follows tax laws governing charitable contributions closely because, while people don't contribute solely because of tax deductibility, tax incentives can influence giving behavior and the amount and timing of charitable gifts. MCN believes a proposal from Eugene Steuerle of the Urban Institute deserves a close look.

Steuerle, the nation's preeminent economist on the nonprofit sector, recently spoke to a gathering sponsored by MCN, the Minnesota Council on Foundations and the Greater Twin Cities United Way about various proposals to change the charitable deduction. He notes that the current year-end crush of fundraising in December comes at a time when taxpayers are guessing about how a contribution might affect their tax bill, while in April they could know to a certainty.

Steuerle is exploring a change that would allow contributions made through April 15 to be applied to the previous year's tax bill. The Online Giving Study found that 22 percent of online donations were made in the last two days of December. One can imagine the increased incentive to give when looking at a TurboTax or H&R Block calculator and being able to directly lower tax bill through a contribution.



### Bonding Bill Benefits Nonprofit Projects

Minnesota's 2014 bonding bill passed and was signed into law on May 20, providing resources for capital improvement projects throughout the state.

Among the many projects funded through this borrowing mechanism were those of nonprofits planning building expansions or new construction plus significant resources for affordable housing.

A sample of bonding projects includes:

- Harriet Tubman Center, East, \$720,000
- St. David's Center, \$3.75 million
- Dorothy Day Center, \$6 million
- NorShor Duluth Theater, \$6.9 million
- Grand Rapids Regional Performing Arts, \$3.9 million
- Brian Coyle Center, \$330,000
- Minnesota Children's Museum, \$14 million
- Ordway Center for the Performing Arts, \$4 million
- Twin Cities Public Television, \$9 million

MCN congratulates all of the organizations who successfully made the case for state investment in their organization through bonding.

MCN is also impressed with the persistent advocacy of the affordable housing community in securing \$100 million for affordable housing projects throughout the state—a substantially increased investment from previous years.

## LUV<sub>2</sub> Caucus Seeks St. Paul Nonprofits to Support as Volunteers

*Continued from page 1*

organizations are using to help people move toward self-sufficiency.

**Rep. Ward:** We have strong support from legislative leadership to do something that is bi-partisan, to give legislators a chance to work together outside of the Capitol, and to put our words into action. We all believe in giving back and every one of us is capable of sharing our time, talent and treasure. More than 50 legislators and staff have expressed interest and become involved.

**Rep. Loon:** This creates a chance us to find commonality with other legislators and get to know our colleagues across the aisle, to work together with a purpose. Most of us never would have run for office if it weren't for things like our active volunteering in our communities.

**Rep. Ward:** We have had several worthwhile projects, including an evening at Higher Ground in Minneapolis where

we prepared and served the evening meal and snacks and prepared beds for the night. Nearly 40 House members participated and it was eye-opening for all. We learned about the people who count on these services and saw state dollars in action. We appreciated seeing the good the organization does and understanding the needs in the community.

Representatives Loon and Ward welcome Twin Cities-based nonprofits to contact them directly with project ideas. Appropriate projects would be relatively close to the Capitol, scheduled for weeknight evenings between January and May, and include concrete tasks that the legislators can accomplish in a couple of hours. If you have a project in mind, please contact Representative Loon at [rep.jenifer.loon@house.mn](mailto:rep.jenifer.loon@house.mn) or Representative John Ward at [rep.john.ward@house.mn](mailto:rep.john.ward@house.mn). The Minnesota Council of Nonprofits thanks Representatives Loon and Ward for their efforts and commends all Minnesota legislators who are active volunteers with LUV<sub>2</sub> or in their own communities.

## Aligned Interests and Volunteer Efforts Fueled “Steve’s Law” Passage

*Continued from page 1*

“When people witness an overdose, if they are using as well, they are afraid to call for help. We wanted to make it okay for people to call for help without fear of getting into trouble,” said Lexi.

The Minnesota Recovery Connection (MRC), Steve Rummler Hope Foundation, and 911 Good Samaritan Coalition came together with allies at the Minnesota Department of Health to pass legislation that will save Minnesota lives. Known as “Steve’s Law,” it allows every parent and trained person to legally carry and administer naloxone and also provides limited immunity to those who call 911 when they witness an overdose.

In an interview with Julia Parnell, the special projects manager at MRC and an alumnus of MCN’s Nonprofit Advocacy Institute, she revealed the power of coalition and advocacy to affect change, like “Steve’s Law.”

### Where did the idea for Steve’s Law come from?

“It came out of Recovery Thursdays – a weekly event we did in 2013 in the State Office Building cafeteria at the Capitol. We met with members of the recovery community to educate them on issues that were moving through the legislature. We wanted to be a resource on policy issues to bridge the recovery community and the legislature. For the Rummler Foundation, it was an issue that was particular to their organization and fit with their mission.”

### What made this a good partnership?

“Our interests were aligned. They were able to leverage community members that they were working with to build an incredible coalition. Lexi became a registered lobbyist this year and took on the direct lobbying. MRC worked on advocacy in the realm of educating. And the Citizen’s Coalition that was made up of mothers who had lost children to opiate overdoses went to every single legislator and asked if they knew about the legislation and how they planned to vote. If they indicated a no vote, they’d ask why and then shared with the elected officials why this legislation was important to them. In the end, it passed every single committee unanimously.”

### What comes next?

“We want to get the word out – don’t run, call 911. We want people to understand that they don’t need to fear calling for help. The 911 provision goes into effect July 1 – it happens to be the date that Steve overdosed and died. That is a really powerful thing. We didn’t request that effective date but it is validation that we’re making a difference for people who are suffering. This is a paradigm shift that catches up with social awareness. The disease is widespread and everywhere. We’re ready to create laws and change the way in which we serve public safety and public health – where we treat the disease instead of considering addiction as a moral failing.”

Learn more about Steve’s Law at <https://www.facebook.com/911GoodSamaritanNaloxoneCampaign>. To read the full interview, visit [www.minnesotanonprofits.org](http://www.minnesotanonprofits.org).

## Where the State's \$1.2 Billion Surplus Went

After more than a decade of frequent budget deficits, a state budget surplus opened up the opportunity for different kinds of conversations in the 2014 Legislative Session.

The state's two-year budget was set last year, but a projected \$1.2 billion positive balance for the FY 2014-15 budget cycle allowed policymakers and advocates to discuss improving our tax system, increasing funding for critical services and saving for a rainy day.

By the time it adjourned, the Legislature allocated most of the surplus through two major tax bills, a supplemental budget bill and a capital investment (or bonding) bill. These bills included provisions to expand opportunity for more Minnesotans and make our tax system work better.

The largest portion of the surplus – 45 percent – went to the tax bills, which total \$550 million in FY 2014-15 and over \$1 billion in the next budget cycle.

- The first tax bill reduced income taxes for many Minnesotans through provisions that mirror federal tax changes and repealed three business-to-business sales taxes. It also increased the Working Family Credit by about 25 percent, making our tax system fairer and helping families working at low wages make ends meet.
- The second tax bill increased property tax refunds for homeowners and renters and increased state aids to some cities and counties.

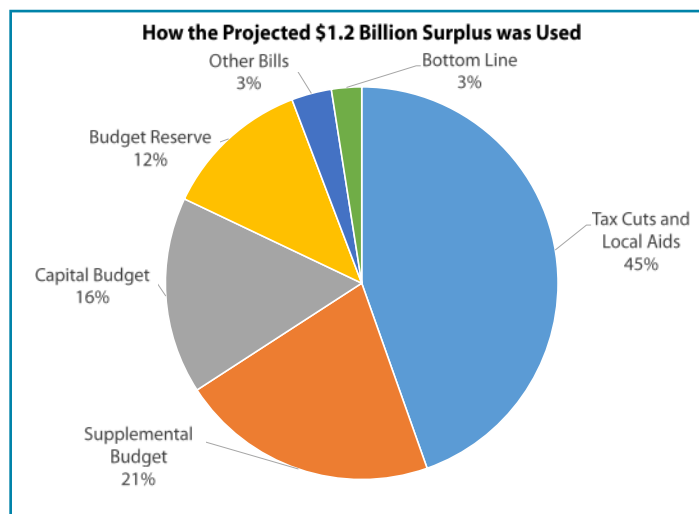
About one-fifth of the surplus went to the \$262 million supplemental budget bill. The bill included investments in improving the quality of life for vulnerable Minnesotans and expanding opportunity, including:

- A 5 percent increase in reimbursement rates for home- and community-based services for seniors and people with disabilities,
- Grants to advance health equity,
- Improved educational opportunities under the Minnesota Family Investment Program,
- Increased funding for schools, and
- Improvements to early learning scholarships.

Policymakers also passed a substantial capital budget bill (commonly called the bonding bill because the state issues bonds to pay for capital investment projects). But this year, policymakers also used 16 percent of the surplus to pay directly for capital projects.

The surplus was also used to prepare for the next economic downturn through a \$150 million addition to the state's budget reserve. Healthy reserves are necessary to meet the needs of Minnesota residents even in the face of the unexpected.

Finally, three percent of the surplus went to other bills with a financial impact, and about three percent was left "on the bottom line," or unallocated. This was a wise hedge against uncertainty, as the surplus was only a projection, not money already on hand.



This session, policymakers took the opportunity provided by the surplus to pass many provisions that make our tax system simpler and fairer, expand opportunities for many Minnesotans, and improve our budget reserve to prepare for future economic challenges.

Find more information about tax and budget decisions made this legislative session from MCN's Minnesota Budget Project at

[www.mnbudgetproject.org](http://www.mnbudgetproject.org).

### Latest Budget and Tax News and Analysis

5 ways to keep up with the latest budget and tax news and analysis from the Minnesota Budget Project:

1. Subscribe to the Minnesota Budget Bites blog.  
[www.minnesotabudgetbites.org](http://www.minnesotabudgetbites.org)
2. Subscribe to the Budget News and Tools enewsletter  
[www.mnbudgetproject.org](http://www.mnbudgetproject.org)
3. Attend a Follow the Dollars workshop with Minnesota Budget Project Director Nan Madden. Nan explains how the budget process works; why it's important for nonprofits, advocates and others to help shape the budget; and how to get involved.  
[www.minnesotanonprofits.org/events](http://www.minnesotanonprofits.org/events)
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## Legislative Session Recap: What Passed, What Didn't

By Susie Brown, MCN public policy director

With the 2014 legislative session adjourned, we share several items of interest to nonprofit organizations. Please see the MCN website at [www.minnesotanonprofits.org](http://www.minnesotanonprofits.org) for further details on these and other session issues.

Bills affecting nonprofits that passed in 2014 include:



1. B-Corps (House File 2582) establishes Minnesota “benefit corporations,” a new corporate structure that is a profit-making entity with a social purpose. Although this is new structure is for-profit, the future may see nonprofit-like activities being carried out by these new entities.
2. Fundraising and Sales Taxes (House File 3167) provides for an updated threshold for collection of sales tax (\$20,000) on items sold for fundraising purposes, and defines “fundraising events” for purposes of determining when revenues generated by these events are subject to sales tax.
3. Employment law changes, including the minimum wage increase and the Women’s Economic Security Act (House files 2091 and 2536), create new standards for employers to integrate into their human resources and employment practices. The minimum wage increase is implemented in stages, up to \$9.50/hour by August 2016, and the WESA includes several provisions to support women in the workplace, with various requirements and implementation dates. (See page 7 for more information)
4. Department of Human Services background study changes (House File 2467) do not alter who is required to get background studies in Minnesota but changes how the information is collected. The DHS plan is intended to increase portability of background studies and provide for the opportunity for individuals to initiate and manage their own background studies between jobs, rather than this process being initiated solely through employers.

A few bills that MCN was watching closely did not become law.

1. For several legislative sessions MCN has been concerned about proposals to expand the authority of local units of government to charge fees (for things like street maintenance) to tax-exempt nonprofits. This proposal did not advance this year.
2. Late in the legislative session, a new proposal was introduced in the bonding bill to allow bonding authorities (often local units of government) to appoint a member to the board of directors of organizations that receive over \$5 million in bonding. This raised serious concerns about the relationship between nonprofits and government and the independence of nonprofits in recruiting their own boards. MCN is pleased that this provision did not advance in the bonding bill.
3. Changes to campaign finance law intended to provide increased disclosure for political activities would have affected the independent expenditure activities of 501(c)(4) organizations, but were not designed to curtail the permissible non-partisan election activities of 501(c)(3) organizations. Although this bill was characterized as an attack on “nonprofit” rights, its effect was actually limited to providing basic disclosure when nonprofits engage in partisan politically-oriented communications. During the development of the bill, the Minnesota Campaign Finance and Public Disclosure Board was very responsive to MCN’s concerns and ideas. Although this bill did not advance this session, MCN believes it is a step in the right direction.

In addition to nonprofit specific legislation, the session was marked by many policy changes that were advanced by nonprofits on behalf of their communities, including:

- the school lunch bill (Legal Services Advocacy Project);
- the Safe Schools bill (Outfront Minnesota);
- \$100 million in bonding for affordable housing (The Minnesota Coalition for the Homeless and many others);
- Steve’s Law (the Steve Rummeler Hope Foundation and Minnesota Recovery Connection); and
- many others.

Congratulations to all who found advocacy success during this legislative session!



## New Employment Laws Affect Nonprofit Employers

It was a landmark legislative session for Minnesota's employment laws. In April, Governor Mark Dayton signed the first boost to Minnesota's minimum wage in nearly a decade, and the Women's Economic Security Act (WESA) passed in May.

### \$9.50 is the New \$7.25

Minnesota has long had one of the lowest minimum wages in the nation. But this is all about to change. The new minimum wage law will become a reality for nonprofits this summer on August 1, hiking Minnesota's minimum wage to \$9.50 per hour by August 1, 2016, and will thereafter index the minimum wage to inflation.

### WESA Expands Employer Obligations

The Women's Economic Security Act (WESA) passed in May, changing Minnesota's employment landscape in at least eight significant ways. The Act:

- Adds 'familial status' as a protected class for employment,
- Creates a new protected class for familial status,
- Expands pregnancy and parenting leave,
- Expands protections and accommodations for nursing mothers,
- Further expands sick leave,
- Mandates certain pregnancy accommodations,
- Prohibits wage nondisclosure agreements,
- Requires equal pay certificates for certain employers doing business with the State of Minnesota, and
- Expands the definition of employee for various required leaves of absence.

For more information on these landmark employment law changes and tips on how to comply, please visit MCN's press room at [www.minnesotanonprofits.org](http://www.minnesotanonprofits.org) for the following articles, written by expert employment law attorneys from Nilan Johnson Lewis: "Women's Economic Security Act Expands Employer Obligations," and "\$9.50 is the New \$7.25: Minnesota Boosts the Minimum Wage."

## MCN Seeking Board Nominations

The MCN Nominating Committee is currently seeking nominations for individuals to represent their communities and serve on the MCN board of directors.

This call for nominations is the start of the selection process for MCN's 2015 board of directors and we invite leaders of MCN member organizations to nominate themselves or a colleague for one of six openings. Candidates must be a representative (staff or board member) of a current MCN nonprofit member organization.

This is an annual opportunity for MCN members to nominate leaders in the sector to serve as their representatives to MCN's board. Please consider nominating yourself or a colleague before Thursday, July 31, 2014.

For more information, to nominate someone or yourself and to view current board member testimonials on why you could be a part of MCN's board, visit: [www.minnesotanonprofits.org/2014-board-election](http://www.minnesotanonprofits.org/2014-board-election)



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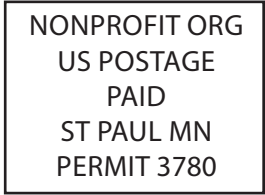
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## Tax Bills Helped “Mind the Gap”

For the second year in a row, policymakers in 2014 Legislative Session took steps to make Minnesota’s tax system fairer and work better.

While the 2013 tax reform bill made substantial progress on making the state’s tax system more based on the ability to pay, Minnesotans with modest means still pay a higher share of their incomes in state and local taxes than the highest-income Minnesotans.

This year, MCN’s Minnesota Budget Project identified opportunities to further narrow this gap, and these two were included in the tax bills passed this year:

- A nearly 25 percent increase in the Working Family Credit will make Minnesota’s tax system fairer and make it easier for families to make ends meet. More than 330,000 Minnesota households receive the Working Family Credit, which is based on the federal Earned Income Tax Credit (EITC). The EITC has documented success in supporting work, reducing poverty and improving the health and educational success of children. House File 1777 updated the Working Family Credit to federal improvements reducing marriage penalties and increases the maximum amount of credit.
- A one-time 6 percent increase in the Renters’ Credit means more than 346,000 Minnesota households will receive an average \$36 more in their refunds this year. The Renters’ Credit is a state property tax refund that makes sure that low- and moderate-income Minnesotans don’t pay too high a share of their incomes in property taxes.

These tax provisions demonstrate that whether the state is in surplus or deficit, policymakers can make it a priority to make the tax system fairer.

## Keep the Minnesota Budget Project on the Front Lines

“The Minnesota Budget Project plays a critical role in our collective work. The Minnesota Budget Project team is highly effective at leading diverse coalitions, collecting and analyzing important data, educating leaders and policymakers, and helping us all do what we do better.”

Whether testifying at the Capitol, meeting with community members, or logging long hours of data-crunching, the Minnesota Budget Project team is on the front lines for all of us.”

*- Pam Johnson, Minnesota Community Action Partnership*

If you are one of the many nonprofit leaders who find that the Minnesota Budget Project helps your nonprofit achieve its mission by providing high-quality analysis and identifying critical opportunities to make your voice heard in policy debates, please support the Minnesota Budget Project through a contribution today.

Donate online at [www.mnbudgetproject.org/donate](http://www.mnbudgetproject.org/donate) or mail your tax-deductible contribution to the Minnesota Budget Project at 2314 University Avenue West, Suite 20, St. Paul, MN 55114.