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Nonprofit News

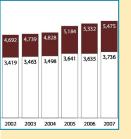
Information and connections for Minnesota's nonprofit sector.

Spring 2012

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



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Using Technology for Service Innovation

MAP for Nonprofits and Idealware have completed an exciting research project to pave the way for nonprofits to use technology for service innovation in a manner that advances their missions. Download a copy of the report at www.mapfornonprofits.org.

"Clawback" Bill Signed by Governor: A Victory for All Minnesota Nonprofits

On April 3, the Governor signed House File 1348, a bill which limits the amount of time a nonprofit can be subject to "clawback" of funds when the funds are found to be related to donor fraud. This is a policy victory for nonprofits throughout the state.

Fraud clawbacks occur when there is an attempt to retrieve, or "clawback," money that was attained through fraud. In the case of nonprofit organizations, money that was donated to an organization can be "clawed back" if the donor is found to have raised the money fraudulently, even if the money was given years ago and has long ago been spent on the organization's mission and programs. Several Minnesota nonprofits are currently facing this situation as a result of donations accepted from Tom Petters, who was later found to be involved in a Ponzi scheme that defrauded investors.

MCN member organization Big Brothers Big Sisters (BBBS), a recipient of a contribution from Tom Petters, led the charge to make this change on behalf of all nonprofits that could unknowingly accept funds that were generated through fraudulent activities. BBBS

Continued on page 2

Envision the Future and Plan Accordingly on June 26: Leadership Conference Helps Build Nonprofits

What will your organization look like in three months or three years? What issues impact your ability to stay relevant and to continue to successfully serve your community?

Authentic leadership requires individuals and communities to engage in the co-creation of a future that is emerging. This idea of stakeholder engagement and group action is the foundation for the 2012 Nonprofit Leadership Conference.

Join the Minnesota Council of Nonprofits and the Public and Nonprofit Leader-



Essential Health Benefits, Tax Exemption Attitudes and Nonprofit Jobs

By Jon Pratt, MCN Executive Director

As the state works on implementing federal health care reform, two critical issues for Minnesota's nonprofit sector will be ensuring policymakers decide on the right set of "essential benefits" and create affordable health insurance options for small employers. The Affordable Care Act makes a range of improvements to the private health insurance market in the U.S., including the creation of health insurance exchanges in each state and a required package of essential health benefits that will ensure consumers receive a basic level of health care coverage.

Beginning in 2014, exchanges will also operate a Small Business Health Options Program – or SHOP – that offers small businesses and their employees new choices. Through the SHOP, employers can offer employees the types of choices and purchasing power that large businesses typically enjoy. I serve on the 22-member Small Employer Workgroup for the Minnesota Health Insurance Exchange Advisory Task Force and will be advocating for simplified, cost-effective options that eliminate barriers to coverage. More information on how health care reform will impact Minnesotans is available from the Minnesota Budget Project at www.mnbudgetproject.org.



For the seventh time in 22 years, MCN contracted with the Minnesota Center for Survey Research at the University of Minnesota to poll 800 Minnesotans about their opinion about nonprofit tax exemptions.

Each time an identical question has been asked: "Nonprofit organizations provide social services, health services, education and arts to the public. Under Minnesota law, nonprofit organizations have been free from paying sales or property taxes because their services benefit the public. Do you agree or disagree that nonprofit organizations should CONTINUE to be free from paying sales and property taxes?"

The approval level has ranged from 79 percent in 1989 to 91 percent in 2004. The 2011 approval figure of 86 percent is in the same encouraging range as previous years, showing broad support for nonprofits through all of the ups and downs of economic cycles.

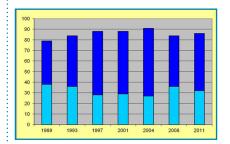
New High for MCN's Job Board: 1,000+ Jobs Posted

With a combination of a slowly improving economy and MCN's membership growth, we have hit a new high water mark on the job board; surpassing 1,000 job postings for the first time. The fact that MCN's 2,000 member organizations post jobs for free (non-members pay \$99/posting) has helped establish MCN's job board as one of the top nonprofit job boards in the U.S. — attracting 41,741 absolute unique web visitors a month. MCN is fourth in the list of U.S. nonprofit online job sites.

- 1. *Idealist: 7,857 jobs posted (6 in Minnesota)
- 2. *InDeed (pulls from multiple sites): 7,000 (est.) (50 in Minnesota)
- 3. *Career Builder: 3,450 (40 in Minnesota)
- 4. MCN Job Board: 1,013
- 5. *Monster.com: 1,005 (43 in Minnesota)
- 6. *Nonprofit Job Board Network, Career Center: 935 (15 in Minnesota)
- 7. *Foundation Center/Philanthropy News Service: 704
- 8. *Chronicle of Philanthropy: 564 (1 in Minnesota)
- 9. *Opportunity Knocks: 427 (1 in Minnesota)
- 10. Colorado Nonprofit Association: 404
- (*denotes national sites as of March 2012)



"Two critical issues for Minnesota's nonprofit sector will be ensuring policymakers decide on the right set of 'essential benefits' and create affordable health insurance options for small employers."



Minnesotans Overwhelmingly Support Nonprofit Tax Exemptions

Graph available at www.minnesotanonprofits.org/tax-exemption-graph

A "Good Sense" Victory for Minnesota's Nonprofits

Continued from page 1

CEO Gloria Lewis made the case before the legislature, explaining, "When Big Brothers Big Sisters accepted contributions in good faith from Mr. Petters, we had no way of knowing that he was engaged in fraud. Having spent the donations on programs that advanced our mission, we were shocked that we would be asked to return the money. Of course, we were unable to do so."

The Big Brothers Big Sisters story is like many others in the nonprofit sector. Funds given for charitable purposes are done so with specific program goals in mind and often tied to spending in a specific time period. Re-claiming those resources after the fact is unreasonable, and can put nonprofit organizations in a position of serious financial hardship.

MCN worked closely with Big Brothers Big Sisters and other affected organizations to ensure that such funds could only be "clawed back" within two years of the contribution, not indefinitely, as the law had allowed.

"Nonprofit organizations receive and spend charitable resources strategically and expediently to advance their mission," said MCN executive director Jon Pratt, "Financial resources are immediately turned into tools for work in the community—whether it's after-school programs, health care, the arts, summer camps or disability services. Funds are spent in a timely manner in order to carry on the work that communities expect of us. Clarifying that funds may not be recouped through the legal system after two years makes good sense for the nonprofit sector."

Big Brothers Big Sisters are not the only nonprofit that will benefit from this change. "This is a victory for all nonprofits who depend on the generosity of donors to provided needed resources to serve our communities" said Gloria Lewis. The Minnesota Council of Nonprofits and Big Brothers Big Sisters worked with and thank Representative Greg Davids and Senator Benjamin Kruse for their leadership on this important issue.

Refresh You Knowledge on Concepts of Nonprofit Leadership

Continued from page 1

ship Center at the Humphrey School of Public Affairs on Tuesday, June 26, to share strategies and solutions about how nonprofit organizations excel at engaging people, improving systems and strengthening communities.

Whether you've been involved in the nonprofit sector for two years or 20 years, this conference offers a space for you!

Keynote speaker Tuesday Ryan-Hart will guide conference attendees to think about ways to enhance awareness, understanding, alliances and action across differences. Tuesday, a community activist who partners with change-makers around the world, has spent her life improving systemic responses for all people in a community. Tuesday has developed a number of cohort-based leadership programs in her community in Columbus, Ohio, and has provided training, facilitation and consultation on self-organizing and emergence to groups working to make change at scale.

Over two-dozen breakout sessions will provide you with tools and resources that lead to better governance, management, planning, fundraising, evaluation, program development, adaptive leadership and other key themes for building strong nonprofit leaders and organizations.

Some of the dynamic conference workshops will include:

- Working in Polarizing Spaces: Supporting Community Dialogues
- Leading Board Development: Increasing Your Board's Performance and Motivation
- The Status of Women and Girls
- · Racial Inequalities in Nonprofit Institutions
- How to Work with Re-entry Participants to Establish Community Connections
- Constitutional Amendments and the Nonprofit Sector
- Integrated Financial Leadership
- Leading the Smaller Nonprofit: Survival Tips from the Field
- When Facebook is a Flop: What's Your Technology Sweet Spot?
- To Hide or Acknowledge Controversial Funders: When Transparency and Fundraising Create Conflicting Priorities

Join this day-long conversation and learning opportunity to refresh your knowledge of foundational concepts of nonprofit leadership. Register for the conference online at www.minnesotanonprofits.org/leadership-conference.

Supervising for Employee Engagement

This highly interactive and participatory workshop offers both inspiration and concrete tools to increase supervisor effectiveness. This training is designed for the seasoned manager as well as the brand-new supervisor.

People are a nonprofit's greatest resource, and people, especially your employees, engaged in the mission of your nonprofit create organizational success. Employee engagement is not something you can require; it is something to be cultivated. The most immediate way you can foster employee engagement is by equipping supervisors in your organization with the knowledge and skills to be an effective supervisor.

This workshop will be offered on June 5, September 11 and December 11. To register, please visit www.minnesotanonprofits.org.

"I liked this session because it was advertised as interactive and it delivered. The presenter was engaging and developed activities for the entire audience no matter what the supervisory level."

- Participant at MCN Supervising for Employee Engagement training

What Redistricting Means for Your Nonprofit

As a part of our work shaping public policy, nonprofits frequently mobilize the community to contact elected officials that represent their home area. But following the 2010 Census, those elected officials will be running for reelection in newly re-drawn districts on a state, Congressional and local level. As you plan for nonpartisan voter engagement work this year, you may want to remind community members that they may be voting in a new precinct or district. Here's some context to help you convey those changes and what they might mean for the community.

On February 21, the Special Redistricting Court Panel released new boundaries for Congressional and state districts. The court's action comes after the legislature and Governor were unable to agree on new boundaries themselves. Citing their hesitation to impose decisions supposed to be made by the legislature and Governor, the Court was mindful to not make sweeping reconfigurations of current boundaries.

As a result, the districts show a similar general configuration to the previous boundaries except where population

changes required districts to substantially shrink or grow in size.

Nevertheless, 46 current legislators were paired with one another in the same district. In some cases, they were paired with a member from their own party and in other cases from the opposing party. Twenty-three districts were 'open seats,' meaning no current legislator resides in its boundaries. Candidates have until June 5 to reside in the district they will be running in for the state primary and general elections.

On the Congressional level, the only paired incumbents were Rep. Michele Bachmann and Rep. Betty McCollum. Unlike state legislative candidates, federal congressional candidates do not need to reside in the district they represent.

Reflecting the demographic results of the 2010 Census, the new Minnesota legislative boundaries created 21 minority-opportunity districts, 15 of which are minority-majority districts. A minority-opportunity is defined as having 30 percent or more minority composition, and a majority-minority district has more minority residents than white residents. This is a net increase of seven additional minority-opportunity districts compared to the previous boundaries.

Cities that have warded districts for their city councils may also need to redraw boundaries to account for population changes. St. Paul redrew their lines in 2011, and Minneapolis has been redrawing its boundaries in the first half of 2012. The new state, Congressional, and local districts will be effective starting with the 2012 election until 2022, when the results from the 2020 Census will again trigger a redrawing of boundaries. For more details are available at www.minnesotanonprofits.org.

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Photo ID Requirement for Voting Advances to November 6 Ballot

By Susie Brown, MCN Public Policy Director

Final passage of Minnesota's House File 2738 occurred on April 5. This bill, opposed by the Minnesota Council of Nonprofits and dozens of member organizations, will place a question before voters in the November 6, 2012, election — should Minnesota voters be required to present a government-issued photo identification at the polling place?

There are many reasons for the nonprofit sector's opposition to voter photo ID. Public testimony in several House and Senate Committee hearings, during the 2011 and 2012 legislative sessions, illustrated the concerns of diverse constituencies served by nonprofits. MCN member organizations including The Arc Minnesota, the Minnesota Coalition for the Homeless, the League of Women Voters-Minnesota, AARP-Minnesota and many others have shared stories and concerns that clarify the many reasons for opposition to this bill—representing realities this bill would create for seniors, veterans, women, students and others. MCN stands with these members and other allies in an effort to defeat this proposal. We hope you will join us.

Why MCN Opposes Voter Photo ID Requirement

MCN's opposition is based on three key issues:

- 1. While the proposal is described as addressing voter fraud (which is an extremely rare occurrence in Minnesota), the solution does nothing to actually stop the most common type of fraud and causes substantial new barriers for many voters.
- 2. Minnesota has had no cases of voter impersonation at the polling place, which is the only kind of fraud that a government-issued photo ID would prevent. It would, however, create new barriers for many voters.
- 3. The constitutional amendment proposal, which appears simple on the surface, actually requires substantial change to Minnesota's election system in order to be implemented. We are likely to see an end to Minnesota's vouching system and to same-day registration and a new provisional balloting system, among other changes. MCN believes that substantial election reform should be decided by a bipartisan legislative effort which results in changes in statute. You can see MCN's testimony in the Senate at www.minnesotanonprofits/legislative-testimony.

On the November Ballot—Next Steps

While the legislative battle is over, the ballot campaign is just beginning. MCN is working with the Our Vote Our Future campaign, a broad coalition effort designed to defeat the ballot question in November, to build the list of nonprofit organizations that are signed on in opposition and engaged in this effort. Nonprofits throughout Minnesota can become involved in a variety of ways that are legally permissible, whether its putting an article in your newsletter, speaking to leaders in your community, handing out signs and stickers to your clients or raising money for the campaign. The Our Vote Our Future campaign is designed to engage nonprofits and the community in a variety of ways that are most strategic for each group.

Will You Join the Our Vote Our Future Campaign?

MCN's Jeff Narabrook is working closely with Our Vote Our Future campaign staff and volunteers to make nonprofit participation straightforward and robust. Can you communicate with your members, donors, staff, board and clients about the harm this proposal may cause to your community? Do you have other ideas for your organization's engagement in this campaign? If so, please contact Jeff Narabrook at 651-757-2062 or jnarabrook@minnesotanonprofits.org to talk about getting involved.



"There are many reasons for the nonprofit sector's opposition to voter photo ID. Public testimony in several House and Senate Committee hearings during the 2011 and 2012 legislative sessions illustrated the concerns of diverse constituencies served by nonprofits."

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The Evidence Is In: Constitutional Budget Amendments Wrong for Minnesota

Proposed constitutional budget amendments started out at the top of some lawmakers' priority lists at the beginning of the 2012 Legislative Session, but at the time *Nonprofit News* was going to print, they have not moved through the process during the session.

The bills, including a supermajority proposal that would require three-fifths of the Legislature approve state tax increases, were opposed by a large number of organizations including MCN and the Minnesota Budget Project.

Analysis of the experience of states that already have similar requirements shows why they are short-sighted, don't deliver on their promises and are wrong for Minnesota.

For instance, amendment proponents claim the rigid requirements would control taxes, but the evidence from other states does not back up those claims.

The Minnesota Budget Project looked at U.S. Census Bureau data and found that states with strict supermajority requirements (similar to what is proposed in Minnesota) saw state and local property taxes rise an average of 22 percent between 2000 and 2009, after adjusting for inflation. Property taxes in states without supermajority requirements for tax increases rose an average of just 13 percent.

In addition, constitutional budget amendments – especially supermajority requirements – don't appear to result in better economic outcomes.

An analysis by the Center on Budget and Policy Priorities found that:

• The seven states with broad, constitutional supermajority restrictions lost 6.7 percent of their jobs, while states with no supermajority restrictions have lost 3.4 percent.

- Six of the seven states with strict supermajority requirements experienced above-average job declines.
- The two states with the deepest job losses Arizona and Nevada both have broad, constitutional supermajority restrictions. Nevada has lost 13 percent of its jobs since the recession started and Arizona has lost nearly 10 percent.

The experience in other states shows a supermajority requirement could increase credit rating agencies' concerns about Minnesota's financial flexibility and creditworthiness, potentially leading to more downgrades in our credit rating. Nevada's credit rating was downgraded by Moody's in 2011; Arizona was downgraded by Standard & Poor's in 2009 and by Moody's in 2010. In both states, the rating agencies cited constitutional budget limitations as contributing factors to the downgrades.

Those are just a few of the impacts of the proposed constitutional budget amendments. A host of other unintended consequences could occur under such amendments, including more government gridlock and budget gimmicks; cuts to services Minnesotans value such as schools, colleges and health care; and an inability to respond to changing demographics and emerging needs.

You can find more information at the Minnesota Budget Project's website, at www.mnbudgetproject.org.

At the time *Nonprofit News* was going to print, MCN and our allies have been successful in demonstrating to policymakers, the media and the public the severe consequences of these amendments. However, we continue to monitor the Legislature closely for potential action on this critical issue for the state's future.

Nonprofit Leaders Increase Organizational Effectiveness

In 2011, 29 nonprofit leaders graduated from MCN's Performance Management Leadership Institute. The Institute offers a nine-month cohort-based program to guide leaders in areas of nonprofit best practices, performance management and adaptive leadership.

Twelve months after the start of the program, MCN staff talked with graduates to learn how they are increasing their effectiveness as leaders

in the nonprofit sector.

Scott Schifsky, program director of The Arc Minnesota, described how the Leadership Institute has "polished my thinking." Scott said that the Institute, especially the concept of using a logic model, has taught him to think about outcomes first and then work backwards to think through program design.

Through the use of logic models, Scott is "asking the hard questions before investing resources." For example, he uses logic models to focus on outcomes and impacts that can be reported to staff, participants, funders and other key stakeholders. Logic models have helped The Arc discover new ways to describe the connections between their work in public policy and housing access services. In this way, The Arc Minnesota is becoming more adept at talking about the way they are changing Minnesota in positive ways.

In addition to building stronger programs, Scott's use of logic models has reached nearly every level of the organization. For example, the logic model provides a clearer way for Scott to communicate with the board and to put into

writing a concise way of speaking about the programs that he oversees. He says that logic models help him to feel more confident because, "I have a solid plan to rely on and am not afraid to change that plan if it is not having impact."

> Another Leadership Institute graduate, Naomi Mahler, took a leadership position at a new organization shortly after completing the Institute. Naomi is now the interim CEO at Green

Lake Lutheran Ministries in Spicer.
Naomi started as a board member at
Green Lake and when the organization
was faced with a leadership transition,
the rest of the board asked Naomi to
step into the role. In part because of her
involvement in the Institute, Naomi had
developed the skills needed to address
nonprofit perspectives related to leading
the organization; she already had honed
many of the skills related to the ministry
perspectives through previous positions.

As Naomi explained, "A logic model isn't something that we learn in seminary. It's helpful to have that framework. How to clarify mission, describe impact, develop workplans: these skills are easier to do now and are helping me to build a stronger organization. And now the staff has a tool to talk about what they want to be as an organization."

Beyond nonprofit management skills, Naomi says that the Leadership Institute discussions "helped me to feel more confident in my leadership role. The cohort model of the Institute helped me to see that various individual nonprofit leaders in various positions are all working through the same challenges." This level of understanding has been useful

to Naomi in her work building collaborations and connections internally and with other organizations in the community.

These success stories demonstrate how the Performance Management Leadership Institute helps nonprofit leaders build the required skills to lead dynamic organizations across Minnesota.

More about key concepts of performance management, evaluation and staff performance reviews is available at www.minnesotanonprofits.org/pmli.



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Community Action Duluth's One Clear Goal: End Poverty

Last fall, the Minnesota Council of Nonprofits and MAP for Nonprofits presented Community Action Duluth (CAD) with the 2011 Nonprofit Mission Award for Innovation.

Founded in 1965 as a public agency, CAD was part of a larger national movement for the development of Community Action Agencies, as part of the War on Poverty and President Johnson's Great Society. Along with programs like Head Start and Job Corps, Community Action Programs were supported and funded by the Economic Opportunity Act of 1964. As CAD grew, it redirected its work from addressing the effects of poverty to helping individuals and families move out of poverty. Focusing on increasing income, securing jobs and developing social capital, CAD has filled a unique need in the Duluth community for over 45 years.

Duluth's unemployment rate is similar to the state average, but it has a significant racial disparity (23 percent in the latest American Community Survey). Poverty rates are nearly twice the state average and also differ greatly by race. "We see the gaps between the work

skills of people of low income in Duluth and the labor market as a major driver of poverty," said CAD's urban farming coordinator Michael Latsch, "and our transitional employment programs work to fill that gap."

In 2010, Community Action Duluth decided to develop transitional employment programs centered around green jobs. These temporary positions would provide a consistent paycheck while participants learned job skills, built a resume and acquired an employment reference. "We realized, though," Michael commented, "that if we were going to be asking employers to be taking our participants on as employees, we should be doing some of that as well." And so, through the development of innovative programs like Seeds of Success Agriculture Project and Streams Watershed Conservation Corps, CAD started hiring.

Seeds of Success provided employment for 13 individuals in the summer of 2011 at nine urban garden sites throughout the city. While two-thirds of their produce was sold to grocery stores,



restaurants and consumers at farmers markets, the remaining one-third was distributed to employees and low-income volunteers. "We do transitional employment," said Latsch, "but we do it in such a way as to provide a couple of other benefits, including neighborhood revitalization through creating gardens in otherwise vacant lots."

Streams Watershed Conservation Corps is a similar employment program, but with a focus on the city's waterways. Duluth has dozens of streams that flow through the city, many of which are highly developed and have problems of erosion and high water temperatures. "We're working with private landowners who live along the streams to plant native trees and shrubs to alleviate some of those problems," said Tim Beaster, Stream Corps project coordinator. "I've enjoyed showing over a hundred landowners how easy it is to become responsible land stewards and also helping my staff leverage their experience to obtain more long-term employment," he explained.

Michael and Tim credit Community Action Duluth's ability to move quickly and the community's trust of the organization for the success of their programs. "Hopefully we can make this successful and be a model for other organizations throughout the country," said Tim.

To find out more about 2011 Nonprofit Mission Award winner, Community Action Duluth, visit www.communityactionduluth.org.

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THE 3RS OF INCLUSION: RELATIONSHIP, RECIPROCITY, AND REFLECTION June 12, 10 — 11 a.m. Webinar Fee: \$45 for MCN members / \$65 for nonmembers	PROMOTE THE VOTE NONPROFIT KICKOFF June 13, 1 — 2:30 p.m. Wilder Center 451 Lexington Parkway North, St. Paul Fee: Free
Finance	Management
STRATEGIC FINANCIAL PLANNING WITH NONPROFITS ASSISTANCE FUND May 1, 9 a.m. — noon Open Book, Room 203, 1011 Washington Ave. South Fee: \$45 for MCN members / \$55 for nonmembers	SHARE YOUR RESULTS, ENGAGE YOUR STAKEHOLDERS May 16, 9 — 10:30 a.m. Wilder Center, 451 Lexington Parkway North, St. Paul Fee: \$45 for MCN members / \$65 for nonmembers
FINANCIAL LEADERSHIP FOR EXECUTIVE DIRECTORS WITH NONPROFITS ASSISTANCE FUND May 22, 9 a.m. — noon Open Book, Room 203, 1011 Washington Ave. South Fee: \$45 for MCN members / \$55 for nonmembers	SUPERVISING FOR EMPLOYEE ENGAGEMENT June 5, 9 a.m. — 12:30 p.m. Minnesota Council of Nonprofits Conference Room, 2314 University Avenue, Suite 20, St. Paul Fee: \$45 for MCN members / \$65 for nonmembers
Fundraising	Regional
ADVANCED GRANTWRITING: TAKING YOUR GRANTSMANSHIP TO THE NEXT LEVEL May 22, 9 a.m. — noon Minnesota Council of Nonprofits Conference Room, 2314 University Avenue, Suite 20, St. Paul Fee: \$45 for MCN members / \$65 for nonmembers	CENTRAL CHAPTER DIVERSITY AND INCLUSION WEBINAR AND DISCUSSION May 8, 10 a.m. — 12:30 p.m. African Development Center 518 Litchfield Ave. SW, Willmar Fee: \$15 for MCN members / \$25 for nonmembers

Get detailed information and register at www. minnesotanonprofits.org Click on Events & Trainings.

Minnesota Nonprofits Nationally Show Gradual Recession Recovery

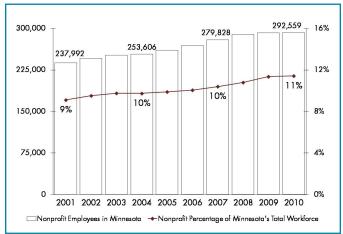
Each year MCN examines employment and wage statistics for nonprofit organizations to report on the state's nonprofit economy. Data from the Department of Employment and Economic Development shows that at the end of 2010 the number of nonprofit employees remained stable during the recession, ending at 292,559 or11 percent of the state's workforce. The number of nonprofits reporting at least one employee dipped to 3,630—at 5,547 employment locations—down 200 from the 2008 high of 3,812 employers.

While Minnesota data showed an overall resilient nonprofit sector, many organizations nationwide struggled with less reliable revenues, delays in government payments and increased demand for services. A national survey of nonprofit finances and government funding, conducted by New York-based Nonprofit Finance Fund (NFF), found that Minnesota organizations experienced similar problems as other states, with 28 percent reporting a 2011 operating deficit.

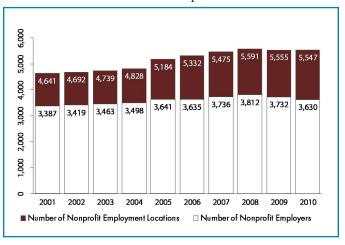
The 2012 Nonprofit Finance Fund's State of the Sector survey had 4,600 respondents, including 257 from Minne-

sota, the fifth highest participation among states—following California, New York, Texas and Pennsylvania.

One area that received increased attention during and after the 2008-09 recession was delays in payments from government contracts to nonprofits. Half of Minnesota survey participants reported that they received late payments from state or local government for contracted services—the same as the national rate. As a result, 65 percent of organizations used reserves during the delay, while 40 percent delayed payments to vendors and/or creditors, and 22 percent used a line of credit.



The recession put new demands on



Communication of the second of

governing boards, which prompted NFF to ask how well boards seemed to understand the financial underpinnings of organizations. Most Minnesota nonprofits reported that their boards of directors understood their financial data well enough to "help make decisions" (65 percent) and "explain our revenue model" (57 percent). But just under half (47 percent) said that their board "can represent our financial situation in conversations with external stakeholders."

NFF's State of the Sector survey reports on several additional areas of government contracting, revenue trends, management practices and funder relationships. For more information and to review the full report, please visit NFF's website at

www.nonprofitfinancefund.org.

Thanks to Mary Streufert, MCN's Northeast Minnesota Regional Coordinator



Mary Streufert, MCN's Northeast Minnesota regional coordinator, is retiring in May after developing, nurturing and growing MCN's Northeast

Chapter over the past 13 years. MCN asked Mary a few questions about the Northeast Chapter and it's past, present and future.

How did MCN's Northeast Chapter begin?

The Northeast Chapter, originally called Twin Ports Area Nonprofit Coalition (TPANC), grew out of a response to a threat to nonprofits' tax-exempt status in 1998. Following that initial response, a more comprehensive eight-month process focused on ways that we could build the sector's capacity in the region. In June 1999, MCN opened the Twin Ports Area Nonprofit Coalition office in Duluth and hired me as regional coordinator.

From 1999 to 2004, TPANC served non-profits in St. Louis, Cook, Lake and Carlton counties in Minnesota and Douglas county in Wisconsin. In 2004, services were extended to include Itasca county nonprofits. In 2009, MCN expanded the service to the entire northeast Minnesota region.

What are the highlights of your time working with MCN and building the chapter in this region?

It's been a great joy and achievement to see an increase in MCN membership in this region—from 32 to over 100 in the first couple of years of formation of the chapter. We have been able to maintain that level of membership ever since.

Also, in 1999 we hosted the MCN annual conference at the Duluth DECC— and it's lived on! Following that first year, MCN has held it in Duluth every three years. I think having the annual conference in this area is always a highlight because it attracts people from some of our most northern-based nonprofits and brings excellent educational opportunities to many rural nonprofits—along with a great deal of networking.

What are the major issues you have helped to address in northeastern Minnesota?

I think educating nonprofits on the need for advocacy and the importance of encouraging constituents to vote has been a constant focus over the years. It has always been important to me to be a part of training local nonprofit professionals, supporting nonprofit-sponsored candidate forums and participating in our get-out-the-vote efforts.

What have been your favorite things about your job?

My favorite part of this job has been the opportunity to meet people who serve local nonprofits. I love to hear all the creative ways nonprofits meet their mission. It is especially gratifying to me when I can help a nonprofit organization find the resources they need to solve a problem. It has been such an honor and a pleasure to work with all of these organizations. It is for this reason that I was especially delighted and proud when programs from northeast Minnesota are honored with the Nonprofit Mission Award.

What does the future hold for MCN's Northeast Chapter?

As the world increasingly comes to our fingertips through the World Wide Web, I see people appreciating the opportunity to talk to a resource person, such as a regional coordinator, face to face. There is something reassuring to meet with someone who takes the time to listen to your concern, discern what you need and help you find it. Because of this basic desire to connect, I see a bright future for MCN in the northeast Region of Minnesota.

As Mary prepares for her well-deserved retirement, please feel free to send her notes of encouragement and thanks to mstreufert@minnesotanonprofits.org.

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Nominations Open for Nonprofit Awards

The Minnesota Council of Nonprofits and MAP for Nonprofits welcome nominations for the 2012 Nonprofit Mission and Excellence Awards. Nonprofits make outstanding contributions to Minnesota's high quality of life and we ask that you help us honor these contributions.

2012 Nonprofit Mission Awards

Since 1987, the work of Minnesota's outstanding nonprofits has been showcased through the Nonprofit Mission Awards in the categories of Innovation, Advocacy, Anti-Racism Initiative and Responsive Philanthropy.

All are encouraged to nominate a non-profit that you know has achieved tremendous results in one of these four areas or tonominate your own organization. Nominations must be submitted by May 31, 2012. Please visit www.minnesotanon-profitawards.org for more details.

2012 Nonprofit Excellence Awards

Minnesota Nonprofit Excellence Awards began in 2003. Since then, many of Minnesota's best nonprofit organizations have proudly accepted and displayed their Nonprofit Excellence Awards. Past recipients can be viewed at www.minnesotanonprofitawards.org.

Two Nonprofit Excellence Awards are presented each year, one to an organization with less than \$1.5 million in annual operating expense and one to a large organization with \$1.5 million or more in annual operating expense. These awards are based upon how closely organizations align with the *Principles and Practices for Nonprofit Excellence*.

Applications for Excellence Awards should be self-submitted by the organization and require advance planning and board involvement. Please submit your application materials to MAP for Nonprofits, 2314 University Avenue West, Suite 28, St. Paul, MN 55114 by May 31, 2012 at 4 p.m.

February Forecast Highlights Challenges Continue to Face Minnesota's Economy

Minnesota has a short-term surplus and a long-term deficit, according to the state's February 2012 Economic Forecast. The forecast is the official measure of the state's fiscal health. It serves as the yardstick against which budget and tax proposals are assessed. The forecast estimates future revenues and expenditures based on current laws and economic assumptions.

The forecast reported a \$323 million surplus for the current budget cycle (the FY 2012-13 biennium) and a \$1.1 billion shortfall for the following budget cycle. The surplus is mostly due to lower-than-expected spending in health care programs and K-12 education. It's the second forecast in a row showing a surplus. In November, the state reported a surplus of \$876 million. The surpluses give Minnesota a chance to catch up on some bills. The November and February surpluses allowed the state to refill its cash flow account, fully restore the state budget reserve and begin repaying delayed payments to school districts, as required by state law.

Policymakers do not need to make any changes to the budget in the 2012 Legislative Session because the state is in the second year of a two-year budget. Next year's session will be a different matter. The Legislature will need to address a \$1.1 billion deficit that the February forecast predicts for the FY 2014-15 budget cycle.

That shortfall could go even higher. Adding inflation to expenditures would double the shortfall to \$2.2 billion, if the state were to maintain services at their current level; adding the cost of fully repaying the school funding shifts increases the shortfall another \$2.4 billion. That situation presents major challenges for policymakers. They will need to decide how to address the revenue shortfall while providing services that residents value.

Minnesota nonprofits will be asked to get involved and make sure policymakers see the value of the services they fund. The state faces a difficult future, and nonprofits' involvement in advocating for and protecting the people and communities served will be more important than ever. For more information on this important issue, read an issue paper on the February forecast at www.mnbudgetproject.org.

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Practical Leadership for 21st Century Challenges

Congratulations to 2011 Nonprofit Allies Award Recipients for Legislative Leadership

MCN is pleased to announce its 2011 Nonprofit Allies awards in Legislative Leadership. Senator Ted Daley and Representative Greg Davids were presented with their awards following work on passage of HF 786/SF 615 in the 2011 legislative session. This bill, pertaining to conformity of state and federal reporting requirements for nonprofits in Minnesota, will ensure that charitable donations and public funds are reported in a consistent manner, improving public transparency. Specifically, it requires the annual report to the Minnesota Attorney General to use the same benefits and wages calculations as required by the IRS on the Form 990. This will eliminate duplicate and inconsistent reporting and will remove confusion for donors and the general public who may be viewing the two annual reports. In addition, it utilizes the IRS revised threshold of \$100,000 in the reporting of wages and

benefits on financial reports.



Representative Davids, Chair of the House Tax Committee, represents District 31B and makes his home in Preston. Rep. Davids' familiarity with nonprofits in his own district and his belief in conformity measures made him an excellent author on this bill.



Senator Daley, an accountant by training, was motivated to author this bill to achieve greater simplicity and transparency for nonprofit financial data. Sen. Daley, a first-termer, represents Senate District 38 and resides in Eagan. His award was presented to him at the headquarters of the Eaganbased nonprofit CaringBridge.

re: the commonly held assumption that ambition and altruism are mutually exclusive.

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Member Benefit Spotlight: Bremer Bank

Co-owned by the Otto Bremer Foundation and bank employees, Bremer Bank has a unique



approach to banking. With locations throughout Minnesota, Wisconsin and North Dakota, Bremer is dedicated to improving the communities where their banks are located. This commitment takes many forms including employees sitting on nonprofit boards and donations of employee time and expertise for events like homebuyers' seminars. Last year Bremer Bank donated \$1 million in their region, and employees volunteered over 100,000 hours of time to community causes.

The most prominent and unique way this dedication is manifest, however, is that 92 percent of the bank's dividends are delivered to the Bremer Foundation, where they are allocated in grants to local nonprofits. In 2010, the Otto Bremer Foundation distributed almost \$25 million in grants, 70 percent of which went to organizations in the state of Minnesota.

These benefits with Bremer are coupled with cost- and time-saving services that the bank provides. With a variety of services and products, combined with an informed and responsive customer service team, Bremer is a natural fit for nonprofit banking.

MCN is proud to partner with Bremer Bank to offer members lower-cost banking, higher yield investments and employee banking packages at locations throughout the state and online. Members also receive basis point bonuses over regular earnings credit or interest rates. For more information on how members can access MCN's cost-saving partnership with Bremer Bank, please contact Lauren Van Schepen, MCN's nonprofit services assistant, at lvanschepen@minnesotanonprofits.org.

Nonprofit Awards and Advancements

CLUES announced **Diego Osuna as interim executive director** while the organization conducts a national search for a regular, full-time president. This announcement follows the resignation of CLUES president Jesse Bethke Gomez, who has moved to Metro State University. Diego has served with distinction on the CLUES board of directors since 2004, most recently in the role of chairperson of the board.

Metropolitan State University named Jesse Bethke Gomez to the position of university advancement vice president and Metropolitan State University Foundation executive director. In this role, he will lead the foundation's and university's development operations as well as the efforts of marketing and communications, publications, news services and alumni relations.



Community of Peace Academy (CPA) announced the retirement of its founder and executive director Karen Rusthoven.

The CPA board of directors has unanimously chosen Cara Quinn as the school's new executive director, effective July 1, 2012. Rusthoven founded CPA in 1995 as one of Minnesota's first public charter schools. Quinn has been a member of CPA's staff since 2001 and currently serves as director of teaching and learning.

Catholic United Financial and its charitable arm, the Catholic United Financial Foundation, announced the appointment of Robert Heuermann to the position of executive director. Robert will join the Catholic United Financial Foundation with the experience to help grow its donor base to support its charitable activities and increase its visibility in the Catholic United footprint.

Greg Lais, founder and executive director of Wilderness Inquiry, received the Wilderness Education Association's 2012 Paul K. Petzoldt award for outstanding achievement in outdoor leadership at their annual conference in Estes Park, CO. Greg has been the chief architect of Wilderness Inquiry's vision and programs since the nonprofit's creation over 30 years ago.

Hammer Residences, Inc. named John Estrem as its new CEO, following the unexpected passing of Tim Nelson who served as the organization's leader since 2000. John's background includes 24 years of commitment to local social service organizations. As CEO for Catholic Charities of St. Paul and Minneapolis, John led 550 people and 42 different programs serving families in crisis and managed a \$36 million operating budget.



Darolyn Gray is the new Development Officer for Wingspan Life Resources and will lead the organization's funding initiatives and public relations

campaigns. She is also the development chair for One Voice Mixed Chorus and consults for Crown Medical Support Services, Baby's Space and others through her nonprofit consulting firm, Urban Wheelhouse.

The first LGBT (Lesbian, Gay, Bisexual, Transgender) youth center in the country, Minneapolis-based District 202, has become a part of The Family Partnership. The new partnership brings together two organizations with similar values and visions for advocacy on behalf of the LGBT community. District 202 began in 1993 and gained national attention for its innovation in launching an LGBT center that achieved as many as 12,000 visits per year from youth.



Gordon Goodwin joined MAP for Nonprofits as strategic services consultant. Goodwin brings rich experience in strategy development, resource development

and project management from previous employment which has included work with the Northwest Area Foundation, Fieldstone Alliance and as an independent consultant.

Marsha R. Pitts-Phillips was named the new director of media relations for Greater Twin Cities United Way.

Marsha has been with United Way for six years, previously as public relations manager and senior public relations manager. Before joining United Way, Marsha worked for KSTP-TV news.



Rich Cowles, the Charities Review Council's executive director of 12 years, will retire at the end of June. Rich has been the public face of

the Council as it has evolved to serve the needs of the nonprofit sector, while staying true to the Council's bedrock mission and values. Rich has also led the Council to a position of leadership within the sector through an unrelenting and deeply personal commitment to cultural competence—an effort that has engaged the entire board and staff.

Cindy Toppin, vice president of programs at Lifetrack Resources, received the 2012 Administration on Children, Youth and Families Commissioner's Award. This prestigious award honors one recipient from each state for making an exceptional contribution to the prevention and treatment of child abuse and neglect in his or her state or territory.

Submit Your Announcements
Member organizations are invited to submit your organization's awards, staffing announcements and other news to

mcharleston@minnesotanonprofits.org.

MCN Staff Announcements



Mark Buenaflor joined MCN in January 2012 and serves as the operations assistant, providing support to the internal operations of the organization as well as to the board of directors. Prior to joining MCN, Mark worked as the factory tour coordinator for Meyer Sound Laboratories in Berkeley, CA, and before that he worked as the photo office coordinator for The Kennedy Center in Washington, DC. Mark

has a BA in Philosophy from St. Mary's College of Maryland.



Michaela Charleston has been promoted to membership and communications manager, where she manages MCN's print and electronic newsletters, media relations, social media and website and oversees member recruitment, retention and services. Prior to her new position, Michaela was MCN's nonprofit services assistant and most recently communications assistant. Michaela also assists Non-

profit Insurance Advisors, an insurance service of MCN, with its marketing efforts.



Christine Durand left MCN in March 2012, where she served as MCN's lead communications and marketing staff for 12 years, to become director of donor communications at MCN member nonprofit, Planned Parenthood Minnesota, North Dakota, South Dakota. Christine has been a vital member of our team, serving MCN's members and the nonprofit sector and will be sorely missed.



Scott Russell left MCN in April 2012, where he served as MCN's Minnesota Budget Project's policy analyst—researching and writing about state tax and spending issues. He is now focusing on freelance projects and volunteering for local nonprofits. Scott has been a key member of our team and will be greatly missed.





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NONPROFIT NEWS

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The Minnesota Council of Nonprofits (MCN) is a statewide association of 2,000 nonprofits. MCN works to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector.

For information on submitting ads or articles, please contact Michaela Charleston at 651-757-3082 or mcharleston@minnesotanonprofits.org.

MCN members receive a free subscription to Nonprofit News. For further information on membership benefits, please contact Lauren Van Schepen at 651-757-3088 or lvanschepen@minnesotanonprofits.org.

STAFF WRITERS

Barbara Brady

Susie Brown Jeannie Fox

Stephanie Haddad

Paul Masiarchin

Ieff Narabrook

Jon Pratt

Lauren Van Schepen

Paul Vliem

STAFF MEMBERS

Barbara Brady, Minnesota Budget Project Communications

Susie Brown, Public Policy Director

Mark Buenaflor, Operations Assistant

Shelly Chamberlain, Director of Operations and Human Resources Michaela Charleston, Membership and Communications Manager

Jeannie Fox, Deputy Public Policy Director

Leah Gardner, Minnesota Budget Project Outreach

Coordinator

Stephanie Haddad, Program Director

Becky Johnson, Accountant

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Paul Masiarchin, Program Manager

Shannon McCarville, Program Coordinator

Andrew Morse, Nonprofit Insurance Advisors Senior Insurance Consultant

Christa Otteson, Central Minnesota Regional Coordinator

Jeff Narabrook, Public Policy Associate

Ion Pratt, Executive Director Sondra Reis, Associate Director

Scott Russell, Policy Analyst

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Participate in the 2012 Nonprofit Salary and Benefits Survey



Nonprofits need current and reliable information to establish and justify appropriate salaries and benefits. To meet this need for reliable comparative salary and benefits information, MCN will gather:

- Salary data for 68 of the most common nonprofit jobs including Executive Director, Associate Director, Development Director, Program Director, and Administrative Assistant;
- Information on medical, dental, disability and life insurance, retirement and paid time off; and
- Compensation practices including raises, bonuses, and other incentives.

What We Need from You:

The Minnesota Nonprofit Salary and Benefits Survey relies on the survey responses of Minnesota's vast and active nonprofit sector. To participate in the 2012 Minnesota Nonprofit Salary and Benefits Survey, fill out the commitment form available at www.minnesotanonprofits.org/2012-survey. A survey questionnaire will be sent out in June to all those that choose to participate and the final report will be published in October.

MCN looks forward to working with you and your organization on this important survey. If you have any questions, please contact MCN at 651-642-1904,or info@minnesotanonprofits.org.

