



Nonprofit News

Information and connections for Minnesota’s nonprofit sector

Spring 2014

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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June 14: Adding a Piece of the Transportation Puzzle

Nonprofits, businesses and communities located along the Central Corridor have been watching and waiting for the highly anticipated Green Line light rail to open its doors, and the wait is almost over. On June 14, Metro Transit will complete the two-year, \$957 million construction project where an 11-mile stretch will become more accessible between downtown St. Paul and downtown Minneapolis.

While the Green Line will create a new way of getting from point A to point B, it is also another piece to the ever-growing transportation puzzle. Not only does it connect St. Paul to Minneapolis in a faster and more efficient way, it links bus lines, bike trails, walking routes and HOURCAR pick-up points, offering more options to more people.

“The light rail line is a part of a connected system of transportation options people can explore. The car will not be the only option for people anymore,” said Hilary Reeves, communications director for Transit for Livable Communities.

Transit for Livable Communities (TLC), a Minnesota-based nonprofit located on the Central Corridor, has been an important presence in the development of the Green Line. TLC’s mission is to transform Minnesota’s transportation system to strengthen

Exploring Diverse Voices in the Nonprofit Sector

Minnesota’s communities are changing demographically. In areas of race, ethnicity, age, socioeconomics and geographical distribution – our state continues to evolve. These trends are neither new nor unexpected.

Yet, each new generation of nonprofit leaders must determine how to achieve transformational inclusion of our evolving communities. Transformational inclusion, as described by the Nonprofit Quarterly, includes the best of both instrumental inclusion (the purposeful inclusion of diverse members for a desired outcome) and social inclusion (cohesive interpersonal relationships). Through transformational inclusion, nonprofits

can become more cohesive and responsive and at the same time better focus on meeting their missions.

This year, MCN is partnering with the Young Nonprofit Professionals Network (YNPN) to offer its 2014 Leadership Conference: Exploring Diverse Voices in the Nonprofit Sector.

As explained by Trish Tchume, national director of YNPN, “The nonprofit sector took the lead in acknowledging that diversity exists and that we should respect different identities. But I think the nonprofit sector has rested a bit on our stated values around inclusion. It’s time for us to move from inclusion as a value to inclusion as an active practice.”

Continued on page 3

Nonprofit Bits

State of the Sector Report

The Nonprofit Finance Fund has released results from its 2014 State of the Sector Survey, aiming to illuminate the challenges and successes that the nonprofit sector is experiencing. The survey asked nonprofit leaders about the management and financial dynamics they face in service of the organization’s mission. To view survey results, visit: survey.nonprofitfinancefund.org

Minimum Wage Increase, Vista Project & Philanthropy Partners Equity Frame

By Jon Pratt, MCN executive director

Raising Minnesota's minimum wage had broad support across the nonprofit sector and among the public, and has now passed the Minnesota Legislature. The minimum wage will reach \$9.50 for large employers (> \$500,000 revenue) by August 1, 2016, and \$7.75 for small employers, with some special rates for young workers. The increase occurs in three steps over two years, giving employers time to adjust, though some nonprofit organizations will face some serious adjustments.

For this reason, MCN's support for the minimum wage increase included advocacy to adjust reimbursement rates for organizations providing services for older Minnesotans and people with disabilities. The 5% Campaign's strong advocacy for rate increases for Home and Community Based Services resulted in funding increases being included in both House and Senate supplemental budget bills. It seems very likely that increases in funding for these services will be passed into law before the session ends, and will go part of the way to address the underlying issue of inadequate reimbursements. This would be an excellent time for leading philanthropic organizations to contribute transitional funding to sustain these essential services.



VISTA Capacity Building Project Starts in August

MCN has been approved to be a sponsor under the AmeriCorps VISTA program to host seven VISTA volunteers to develop capacity building training and resources for organizations serving immigrant and refugee communities and underserved communities in Minnesota.

Two of the service opportunities will be with MCN, and five of the positions will be with other organizations that build the capacity of nonprofit organizations:

- Hispanic Advocacy and Community Empowerment through Research (HACER),
- MAP for Nonprofits,
- Nonprofit Assistance Fund,
- LegalCORPS, and
- Charities Review Council of Minnesota

VISTA members will be placed with these sponsors to help them develop an organizational understanding of the strengths, needs and learning modes of organizations led by immigrant and refugee communities and communities of color. VISTAs will also provide guidance to adapt outreach methods and develop more appropriate internal inclusion practices.

Minnesota Philanthropy Partners Adopts Racial Equity Framework

The board and staff of The Saint Paul Foundation and Minnesota Community Foundation, Minnesota Philanthropy Partners affiliates, have adopted a new racial equity framework to guide their work as funders, fundraisers, employers and community participants. A 10- member Racial Equity Task Force developed the recommendations, facilitated by Ron McKinley, his final project and acknowledged in the report as his lasting legacy.

One example among the many ideas put forward by the task force proposes that in the foundation's role as funder that: "We should develop and apply a racial equity lens in all actions pertaining to unrestricted and community initiative grantmaking. This lens should apply to guideline design, grantmaking process and final grant decisions.

The following should be considered:

- Measure grantmaking that serves communities of color and organizations that demonstrate a commitment to racial equity and/or are led by a person of color, and
- Increase both the number of grants and the total amount of grants to organizations of color in the Foundations' portfolio."

The full 30 page framework document, titled "Facing Race a Renewed Commitment to Racial Equity," is posted online and provides a detailed look at organizational expectations and community feedback on the various roles the foundations play.

Greater Transit Access Will Build Economy and Lower Cost of Living

Continued from page 1

community, improve health and opportunity for all people, foster a sound economy, and protect our natural resources.

“Part of it is simply thinking about when you can jump on the light rail to get places rather than driving, and whether we can all reduce congestion and pollution by making different decisions. But we will also have conversations about lower costs and higher health benefits of using transit, bicycling and walking,” said Hilary.

With over 1,100 nonprofits located on or near the Central Corridor, it’s clear that this new transportation option will have positive effects on nonprofits’ service reach to Minnesota communities.

This fall, MCN and Transit for Livable Communities will partner to offer a series of workshops on the updated transportation system and how nonprofits can make sure they are getting the most out of the Green Line. For more information on the Green Line, visit www.metrotransit.org/greenline.

On Saturday June 14th, everyone who lives and works along the Central Corridor are invited to celebrate the Green Line launch in MCN’s parking lot. Creative Enterprise Zone is hosting this event, which will include live performances, visionary public art installments, activities, food and fun. The day will start at 9:30 a.m. with an opening ceremony and light rail service begins at 10 a.m. For more information, visit www.creativeenterprisezone.org.

What the Green Line Means for Nonprofits:

- New way(s) to get to and from work, creating a more diverse employment process for hiring staff, volunteer and board members,
- More options for nonprofits when considering meeting and event spaces, or where to locate the organization’s office,
- New service and program development as a result of broadened accessibility, and
- Higher health benefits resulting in lower organizational costs for insurance and wellness programs.

What the Green Line Means for Communities:

- Greater access to nonprofits’ staff and services along the Central Corridor and metro-wide,
- Greater access to employment and educational opportunities, food and housing, and other community resources, with stops along the Midtown shopping area and the University of Minnesota,
- Lower living costs associated with owning, insuring and maintaining a vehicle. For some lower income families, transportation costs can be more than housing, and
- Access to new and developing nonprofit service points and small business developments. More than 100 projects have been built, are under construction, or are in the planning phase along the Green Line, representing more than \$1.7 billion in development.

Leadership Conference: What is Transformational Inclusion?

Continued from page 1

The topics of diversity and inclusion are key themes for nonprofit success. Explaining why we should care about these topics, Trish said, “There are five generations currently operating in the workplace, the youngest of which is the most racially diverse our nation has ever seen. As a society we have become more open about sharing our many identities such as religion, class, level of education or queerness. I think we’ve reached a tipping point where the shift-positive or negative- is too obvious to ignore so we have to talk about it.”

Trish has seen a lot of disappointments over the past few years, including elections and social movements that could have ushered in a new era of access and equity for all, but especially the most vulnerable. “We’ve made strides, but largely I think many of us feel like we’re mostly failing to reach these goals. The upside of this sort of failure is that when folks (myself included) feel overwhelmed by the complexity or the size of a challenge, we start looking for new ideas in new places

and from new people,” said Trish.

“This is one impetus for transformational inclusion – when we understand that our organizations can be better through inclusion and when we have the social connections to value the new possibilities.”

Our nonprofit sector needs this type of honest dialogue about both the demographic changes and the social expectations that are propelling the need for greater transformational inclusion,” said Paul Masiarchin, MCN’s program director.

The challenges of greater inclusivity are clear. Nonprofits must find new ways to authentically engage stakeholders including staff, volunteers and clients or community members. Continue the conversation about diversity and inclusion at the 2014 Nonprofit Leadership Conference in Minneapolis on June 26: www.minnesotanonprofits.org/events.

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Early Tax Bill Takes Some Steps Forward, Some Steps Back

It's been an unusually fast-paced legislative session. By mid-March, a tax bill had already been passed into law. House File 1777 uses \$150 million of the state's \$1.2 billion surplus to bolster the budget reserve and cuts taxes by \$443 million.

Several factors contributed to the early focus on a tax bill. The state's economic forecasts showed Minnesota had turned the corner from deficits to surpluses, thanks to stronger economic growth. And the clock was ticking: any changes that affect this year's income tax filings needed to be made early in the session, and many policymakers wanted to repeal three business-to-business sales taxes before one of them went into effect on April 1.



The Minnesota Budget Project's priorities for the 2014 Legislative Session include making the tax system fairer, building the state's budget reserves, and making targeted investments that reach Minnesotans who have been left out of the state's economic recovery. The recent tax bill took some steps forward on those priorities, but also some steps backward.

On the positive side, House File 1777 strengthens the Working Family Tax Credit (WFC). Over 330,000 low- and moderate-income Minnesota households receive the Working Family Credit, which helps people working at low wages make ends meet. The WFC also makes the tax system fairer by offsetting a portion of the substantial state and local taxes that lower-income working people pay.

The WFC is based on the federal Earned Income Tax Credit (EITC), which has documented success in supporting work, reducing poverty, and improving the health and educational success of children. House File 1777 conforms the Working Family Credit to changes in the federal EITC that reduce marriage penalties starting in the 2013 tax year, and it increases the maximum credit starting in 2014. Taken together, these improvements amount to roughly a 25 percent increase in the WFC.

Another positive in the tax bill is an increase in the state's budget reserve, or "rainy day fund." Adequate budget reserves help Minnesota respond to the inevitable ups and downs in our economy and better meet the needs of Minnesotans during tough times. House File 1777 adds \$150 million to the budget reserve and dedicates up to one-third of future surpluses to the reserve until it reaches a more adequate level.

These actions build on last year's work to make the state's tax system fairer and raise revenues to end the cycle of budget deficits and invest in a future of shared prosperity. However, one step backward is the bill's cuts to the estate tax, Minnesota's most progressive tax. While House File 1777's estate tax cuts are substantially smaller than earlier proposals, the bill cuts estate and gift taxes by \$144 million in the next biennium, and the cost grows over time.

As the legislative session continues, Minnesotans can expect additional tax proposals, as well as bills to authorize limited additional spending. For updates and analysis, visit the Minnesota Budget Project's website at www.mnbudgetproject.org.

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Get Involved in the Surplus Allocating Process

By Susie Brown, MCN public policy director



On the first Friday of each legislative session MCN holds its annual Session Line-Up, in partnership with the Minnesota Council on Foundations. A bit like back-to-school day, we enjoy this opportunity to convene hundreds of nonprofit leaders with representatives from the House and Senate Majority and Minority Caucuses and the Governor's office for a discussion of priorities as the session gets underway. This year was unique, coinciding with the release of the February budget forecast, giving the audience a chance to hear the response of legislative leaders to hot-off-the-press state budget information.

Some priorities we heard include: an interest in providing tax cuts to Minnesota families and businesses; support for increasing reimbursement rates to providers of services to people with disabilities; both support for and concern about increasing Minnesota's minimum wage; an interest in improving roads and transportation systems; and an appetite for building projects throughout the state. As is always the case with two political parties and two legislative chambers, there was not universal agreement, but the details of these and many other concerns will be debated and decided as the legislature continues its work toward its scheduled end date in May.

A major question was and continues to be, what to do with the budget surplus. The news was very good for Minnesota—a \$1.2 billion surplus. What will the 2014 legislature decide what to do with it? Spend it? Give it back? Save it for a rainy day? Many options exist, but it's important to understand the reality of the projection and our current budget and economic circumstances. Here is the important information (with more detail available at www.mnbudgetproject.org):

- The surplus represents \$1.2 billion more revenue than expenses by the end of the two year budget cycle. This is a projection, not money in the bank.
- There are no existing requirements for how the state must use this money. The school shift has been resolved and the budget reserve is filled to its required level. There is no law that requires saving nor triggers returning money to taxpayers. It's up to the policy makers.
- The forecast also includes a longer-term projection for 2016-17 showing continued positive balance. While there are many variables that could change this, in general it indicates good news for Minnesota in coming years.
- The expectation is that there will be some spending, some tax changes and some saving. Final decisions will be made late in the legislative session after all of the ideas have been vetted and negotiations concluded.

Before we know it, the 2015 session will be upon us. Meanwhile, we hope you take the opportunity to learn about how you can be involved the policy making process. Our advocacy training series includes webinars, workshops, web-based materials, Capitol tours and more. For more information, visit www.minnesotanonprofits.org/mcn-at-the-capitol and let us know how we can assist your organization as you prepare to advocate for the issues that matter to your organization and constituency. And save the date for next year's Session Line-Up. We hope to see you there!

Charitable Donations NOT a Factor in Residency for income Tax Purposes

By Myron Frans, Minnesota Revenue Commissioner

Minnesota is fortunate to have such a robust and reliable source of charitable donations that support many Minnesota nonprofits. One way the state encourages charitable giving is by allowing donors to deduct contributions from taxable income on their state tax return.

Of course, not everyone who makes charitable contributions to our state's nonprofits files a Minnesota tax return. Minnesota residents who are required to file a federal return must also file a state return. Nonresidents are required to file in Minnesota if they earn a certain amount of income here (\$10,000 or more for 2013).

For most taxpayers, their legal residence (or "domicile") is in the state where they live, work, and send their kids to school. But it can be more complicated – for both taxpayers and the Department of Revenue – when people spend a lot of time outside Minnesota or move to/from another state during the year.

When a person's domicile is unclear, the department can weigh up to 26 factors to determine their residency for income tax purposes – but we do not include charitable donations. In fact, state law prohibits the department from considering charitable donations to determine residency.

So what does the department consider? While each taxpayer's situation is unique, some of the most common factors include:

- How much time do you spend in Minnesota during the year?
- Where do your spouse and children live?
- Do you own a home in Minnesota and receive "homestead" for property tax purposes?
- Do you have a Minnesota driver's license?
- Are your vehicles registered or kept here?
- Are you registered to vote in Minnesota?
- Where are your cars or belongings insured?

For more information, visit www.revenue.state.mn.us and type residency in the search box. If you have questions about charitable donations and residency, contact us by email at inco-metax@state.mn.us, or 651-296-3781 or 1-800-652-9094.



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Nonprofit Awards and Advancements

Community Shares of Minnesota has acquired United Arts Fund. Community Shares is acting to preserve both employee choice in giving and a valuable source of funding for arts-and-justice groups in Minnesota, creating a stronger presence in workplace-based philanthropy, and furthering its mission to help create a fair, just and equitable Minnesota.



The **Wilder Foundation** welcomed **Damon Shoholm** as director of the James P. Shannon Leadership Institute.

Damon brings more than a decade of experience in leadership development, civic engagement and facilitation training to this new position.



Leigh Currie has joined **Minnesota Center for Environmental Advocacy's** legal team as a staff attorney.

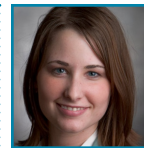


The **Minnesota Youth Intervention Programs Association's** executive director, **J. Scott Beaty**, is retiring and has hired **Paul W. Meunier** (pictured), YIPA's director of services for the past four years, as the new executive director.

The **Hearth Connection** announced **Charlie Cookas** as its new executive director. Charlie's prior experience will help him bring strategic insights and calm leadership in the mental health field.



Minnesota Life College (MLC), welcomed **Luisa Gerasimo** as its director of development.



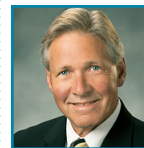
The **Minnesota Environmental Partnership (MEP)** announced **Christine Durand** as new advancement officer. Christine will be responsible for the development and strategic communications of the organization, as well as providing leadership to the management team.



YouthCARE's executive director, **Craig Luedemann**, was awarded the **Local Legend Award** at the General Mills MLK

Holiday Breakfast in January. Craig was recognized for his dedication to promoting racial equality and cultural appreciation through YouthCARE's multicultural youth development programming.

The **Council on Crime and Justice (CCJ)** announced **Andy Sagvold** as director of programs and services, a new position at CCJ. He will also serve as interim president while the Board of Directors conducts a formal search for a new president.



Tom Renier, the founding president of the **Northland Foundation**, will retire in December. Tom's contributions to northeastern Minnesota through building the Northland Foundation since 1986 will leave an indelible legacy.

Ecumen, one of the nation's largest nonprofit providers of senior housing and aging services, received national recognition as winner of the **LeadingAge Excellence in Dementia Care Award** presented in March at the Great Minds Gala in Washington, D.C.

Submit Your Announcements

Visit MCN's Sector News at www.minnesotanonprofits.org/sector-news. Member organizations are invited to submit your organization's awards, staffing announcements and other news to mcharleston@minnesotanonprofits.org.

Everyone Deserves a Place to Call Home: Minnesota Coalition for the Homeless, Advocacy Award Winner

As a 2013 Nonprofit Mission Award winner, the Minnesota Coalition for the Homeless is a tremendous example of how collective advocacy can result in sector-wide success and improvement.



The Minnesota Coalition for the Homeless works to generate policies, community support and local resources for housing and services to end homelessness in Minnesota. Comprised of 150 member organizations, it represents a wide array of constituencies and interests with a belief that everyone deserves a safe, decent and affordable place to call home and that homelessness is preventable.

In an effort to bring in an additional \$40 million to proven programs that stabilize families, prevent homelessness and create workforce housing, the Minnesota Coalition for the Homeless created its Homes for All campaign for the 2013 Legislative Session. With more than 40 organizations, the campaign was awarded \$37.5 million in bonding funds to complete affordable housing

projects throughout Minnesota.

When asked about what the organization's priorities are for the 2014 Legislative Session, Liz Kuoppala, the Coalition's executive

director, said, "We have three priorities: \$100 million in the bonding bill to create or rehab 5,000 housing units across Minnesota; Remove barriers to education and training for moms and dads on public assistance; and Increase minimum wage to \$9.50/hr."

In addition, the Coalition is working to develop the capacity of the Homes for All campaign and Prosperity for All campaign to broaden the networks of people working on housing stability and economic security issues.

Congratulations to the Minnesota Coalition for the Homeless as the 2013 Advocacy winner. For more information about Minnesota Coalition for the Homeless, visit www.mnhomelesscoalition.org.

Data Breach Liability and Your Nonprofit

It's now an everyday occurrence to hear about a new data security problem – a laptop holding thousands of personal records is stolen, an employee inadvertently emails hundreds of social security numbers to a third party vendor, and most recently, it's discovered that the two symbols we've been taught to trust on the internet – the padlock and "https" – are susceptible to the "Heartbleed" bug.

These stories have caused organizations to wonder – what's our liability if our action or inaction leads to a data breach? At April's Nonprofit Technology and Communications Conference, Bill McGeeveran, an expert in data security and privacy issues from the University of Minnesota Law School, addressed these concerns. If the exposed data is related to payment processing, the organization may be found to be liable, particularly if it isn't complying with PCI (payment card industry) standards. In the case of most other types of data breaches (with the exception of "protected health information," as defined by HIPAA), the organization's main obligation is to inform the people whose data was breached. However, even after you notify those affected, someone may still try to find your organization liable in a court of law, and the damage to the organization's reputation is immeasurable.

Some organizations purchase cyber liability insurance to reduce the financial risk of a data breach. One carrier offering Privacy Liability and Cyber Coverage is ANI (Alliance of Nonprofits for Insurance). It covers identity theft, loss of "protected health information" (except fines and penalties), notification costs and credit protection services (up to \$50,000), cyber extortion costs (up to \$50,000), and crisis management costs (up to \$25,000) with full policy limits of \$1 million.

For more information on cyber liability insurance, please contact Nonprofit Insurance Advisors at 651-757-3096 or info@nonprofitinsuranceadvisors.org.

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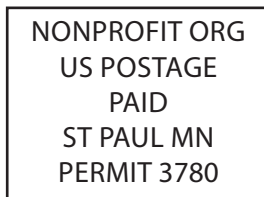
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MCN Updates and Adds New Member Benefits

2014 Minnesota Nonprofit Salary and Benefits Survey

First published in 1998, the Minnesota Nonprofit Salary and Benefits Survey has provided thousands of nonprofits with current and reliable compensation information. MCN will be releasing a new edition of the survey October 2014, but we need your help to produce the research that Minnesota’s nonprofits need. To participate in the 2014 Minnesota Nonprofit Salary and Benefits Survey (and receive a significant discount on the final print publication), fill out the commitment form available at www.minnesotanonprofits.org/2014-survey by May 31, 2014.

The Nonprofit SpecialIST

The Minnesota Council of Nonprofits is pleased to announce the launch of The Nonprofit SpecialIST—a new searchable directory of businesses and consultants featuring products and services ideally suited to the specific needs of nonprofits.

Launching on May 15, this online resource will allow nonprofits to access detailed information on over 150 businesses and consultants across 40 service categories. MCN members will also have the opportunity to provide performance ratings and reviews for vendors with whom they’ve worked in the past. For more information, please contact John Wurm, MCN’s marketing manager, at jwurm@minnesotanonprofits.org.

Employee Assistance Services Through NuVantage

MCN is proud to announce a new partnership with Lutheran Social Services’ NuVantage to offer its members EAP services. An Employee Assistance Program (EAP) is an employee benefit program offered by many employers which is intended to help employees deal with personal problems that might adversely impact their work performance, health and well-being.

Most EAPs charge a minimum fee of \$1,200 per organization. MCN has negotiated a special rate (\$495 for most MCN members), making NuVantage’s EAP services affordable for nonprofits of all sizes. Learn more at www.minnesotanonprofits.org/EAP.

Tribute to Ron Reed

It is with a heavy heart that Minnesota’s nonprofit sector says farewell to Ron Reed, longtime director of Family Service Inc., who passed away unexpectedly in February.

“Building on his commitment to family and appreciation for organizations, Ron gave his career in service to strengthening family life,” said Julie Manworren, president and CEO of Living Well Disability Services.

Ron was also instrumental in the creation of MAP for Nonprofits’ ReDesign program. “Ron saw the economic downturn and the fragmentation of the nonprofit sector as threats to the rich tapestry of needed services. He was tenacious in his devotion to preserving services for those in need. Together we launched Project ReDesign — an initiative to help organizations execute new structures for stronger organizations. To date we’ve completed more than 90 organizational redesigns. The sector owes a debt of gratitude for Ron’s vision,” said Judy Alnes, executive director of MAP for Nonprofits.