

NONPROFIT NEWS

Information and connections for Minnesota's nonprofit sector

MINNESOTA
COUNCIL OF
NONPROFITS

Summer 2020

Minnesota's response to the murder of George Floyd

The spread of COVID-19 continues to present monumental challenges to Minnesota's public health and infrastructure. On top of a global pandemic, the murder of George Floyd on May 25, an unarmed black man, by Minneapolis police, triggered massive civic protest and widespread calls for justice.

Several nonprofit facilities suffered collateral damage or were destroyed along Lake Street in Minneapolis and University Avenue in St. Paul from May 26-28, including MIGIZI Communications, Springboard for the Arts, Minnesota Transitions Charter School, Ananya Dance Theatre, Goodwill, and Park-Nicollet Minneapolis Clinic. Governor Tim Walz ordered 1,700 Minnesota National Guard soldiers activated in Minneapolis and St. Paul to restore order on May 30 after the Minneapolis 3rd precinct police station was burned.

While over 1,500 buildings were burned or damaged during the uprising in the Twin Cities, each morning thousands of volunteers began cleanup efforts, with organized contributions of food, legal services for small business, and transportation for people that lost access to nearby grocery stores and pharmacies. The active response at the neighborhood level by nonprofits in the aftermath created and organized clean up and community rebuilding (partial list) — Take Action Minnesota, COPAL MN, , Bryant Neighborhood Organization, Hamline Midway Coalition, , and many more. MIGIZI, whose newly inaugurated building suffered tremendous damage from fire, raised nearly \$1 million from over 15,000 donors on GiveMN, Facebook, GoFundMe, and MIGIZI's own website.

Simultaneously an unprecedented amount of national (and international) contributions were sent to organizations and campaigns in Minnesota by people horrified by the injustice of George Floyd's death. Tens of millions of dollars in online contributions through multiple online platforms and direct contributions to local initiatives such as the Northside Funders Group, Neighbors United Funding Collaborative, Support the Cities, and We Love Lake Street.

In some cases, the amount contributed went beyond what the organization's needed, who then asked that donations be directed elsewhere. The immediacy, number, and size of contributions was intense for small to mid-sized organizations, with sudden prominence for the Greater Lake Street Council, Minnesota Freedom Fund, Black Visions Collective, Reclaim the Block, Pimento Relief Fund, and the West Broadway Business and Area Coalition and Northside Funders Group.

Minnesota foundations and corporate giving programs also made quick commitments, with the [Minneapolis Foundation, Greater Twin Cities United Way, and Saint Paul & Minnesota Foundation partnering to grant \\$2.5 million from the Twin Cities Rebuild for the Future Fund](#) to support small businesses owned by Black people, Indigenous people, and people of color (BIPOC) in affected neighborhoods. Headwaters Foundation created a Justice Transformation Fund to make grants to grassroots organizations for immediate needs and to hold law enforcement and elected officials accountable.

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

NONPROFIT BITS

The Minnesota Council of Nonprofits is currently seeking nominations for individuals to represent their communities by serving on the MCN board of directors. Nominations will be open until August 21, 2020, and MCN's board nominating committee is seeking at least three candidates for nominated for two open positions. Nominees must represent current MCN nonprofit member organizations. To learn more about the MCN board of directors, including current members, officers, board roles and responsibilities, the election process, and how to nominate yourself or someone you know, please visit www.mcnboard.org.

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Where We Stand

Nonprofit prospects and strategies going forward

by Jon Pratt, MCN executive director, and
Nonoko Sato, MCN associate director

In May and July, MCN has reported on the results of two surveys ([download reports](#)), with a combined 790 responses, on the new realities facing nonprofits as a result of the COVID-19 pandemic. Like the rest of the economy, nonprofit organizations continue to face an unknown scale and breadth of a recovery period with limited resources, and the situation of each individual organization varies greatly.



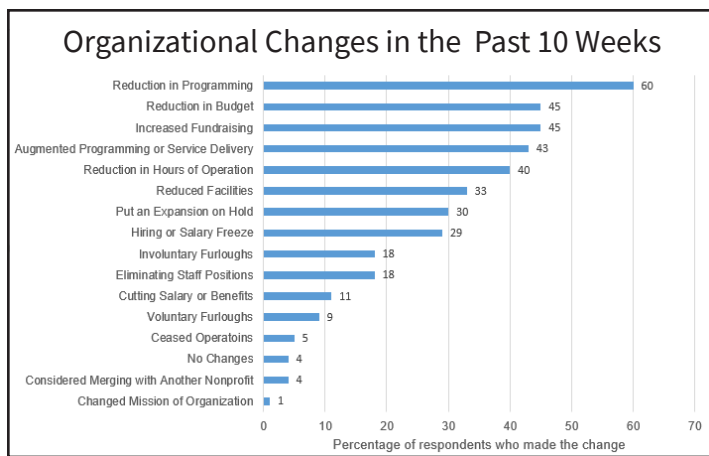
These reports have identified four distinct challenges for nonprofit leadership and management attention going forward.

- **Epic uncertainty:** The sheer volume and breadth of missing information has forced nonprofit managers and governing boards into unfamiliar territories of crisis decision making, taking significant decisions based on inadequate time, data or community input. Abrupt shifts raise expectations of timely information sharing across each organization's stakeholders, often disappointing internal and external audiences. Reducing uncertainty is in the interest of leadership to better inform available responses and explain actions. Yet much of the crucial information about everything from returning to large public events to changes in donations will be unknown for months. Information tracking, analysis, and sharing is an essential organizational function. While not a cure for uncertainty, openness about what information is available, as well as increased board interaction, staff consultation, and appropriate community engagement will help stem the tide of questions that lie ahead.
- **Financial crisis:** Sixty-one percent of Minnesota nonprofits expect their organizations to experience financial distress in less than six months, and by the end of June, one-third of Minnesota nonprofit employees had filed for unemployment insurance ([learn more](#)). Bringing revenue and expenses in line is an obvious shared duty of nonprofit boards and managers, which the sudden drop in earned income again forced to top of mind. Depending on the organization, a wide range of financial adjustments are being implemented across the sector, including the Payroll Protection Program loans, use of reserves, disaster grants, layoffs, rent abatements, and more. Resource dependency on outside sources of income is a fact of life for many organizations, needing to satisfy conditions attached to funding. One encouraging response to COVID-19 has been a loosening of restrictions on funding by a number of institutional philanthropies and agencies of state and local government.
- **Racial Inequity:** Minnesota ranks high in racial disparities for income, wealth, educational opportunities, and treatment by law enforcement, which carry over to many aspects of the nonprofit sector, including organizational assets, real property ownership, revenue sources, and government contracts. In one of MCN's briefings with the offices of the Governor and Lt. Governor, Lt. Governor Peggy Flanagan said that the goal for recovery should not be to restore Minnesota to the status quo, but to make the state better. Addressing gaps in leadership resources and working capital will be essential to connect the recovery to communities most disproportionately affected by lost income, employment, and housing stability.
- **Altered nonprofit role:** Sixty-two percent of nonprofits reported significant disruption and expect recovery to be difficult for their communities. Within each activity area — arts, human services, health, community service, youth development, and others — organizations will be assessing how changed circumstances require field-specific responses and adaptation. This eventual recovery period will challenge organizational leaders and their supporters, including foundations, to explore options without easy answers, and not expect digital conversion, mergers, or social enterprise to enchantingly pop into place. Organizations that set out to change the world now confront a less-stable world with unclear shifts in community needs and available resources. Public policy advocacy will take on increased importance in this new situation, as an essential First Amendment contribution to democracy, by bringing nonprofit experience and connecting community voices to public decision making.

What are the impacts of current events on the nonprofit economy?

The Minnesota Council of Nonprofits (MCN) recently released its second report in a series of assessments of challenges to Minnesota’s nonprofit economy in 2020. The [first report](#), released on May 8, summarized key findings from a national survey of nonprofits MCN co-sponsored on April 9 by the Federal Reserve Bank to assess the impact of COVID-19 shutdowns on the work of the nonprofit section of the U.S. economy.

MCN distributed a [second survey](#) to Minnesota nonprofits on May 21, tracking the impacts of current events on Minnesota’s nonprofits and the communities they serve.



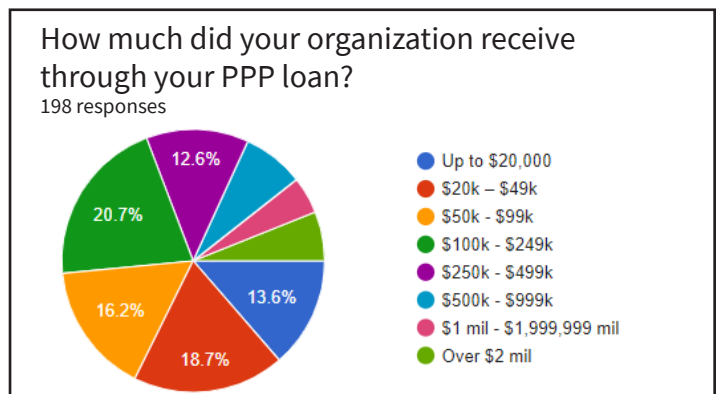
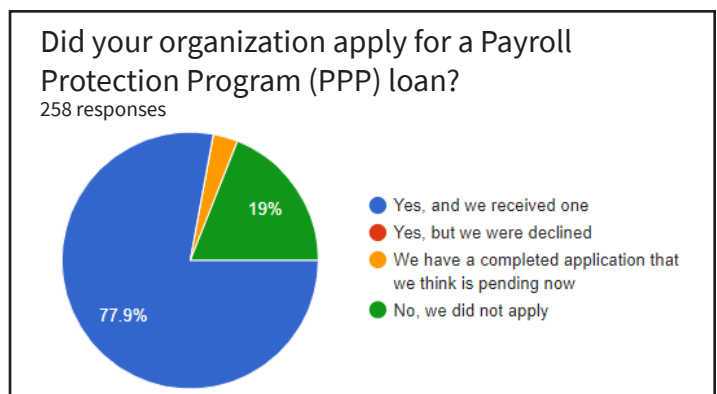
Key survey results and related developments include:

- 42 percent of Minnesota nonprofits report “significant disruption and expect recovery to be difficult,” with arts organizations again reporting the highest levels of disruption (69 percent)
- Nonprofits have responded quickly to manage in this new environment, with the most common management change organizations being a reduction in programming (60 percent), followed by a reduction in budget and increased fundraising (45 percent)
- One-third of nonprofit positions were furloughed or terminated in March-May, 2020. Out of a total Minnesota nonprofit workforce of 392,956 at the end of 2019, by the end of May 2020 there had been more than 120,000 initial claims for unemployment insurance with DEED (the Minnesota Department of Employment and Economic Development).
- A majority of respondents indicated that both government and philanthropic funders had offered additional flexibility and/or supplemental funding, citing grant extensions, earlier payments, and conversion of restricted funds to general operating as the most common.

- Nonprofit managers are increasingly expressing concern that government agencies and private philanthropies will not have the ability to carry through on funding commitments in an upcoming recession.
- 14 organizations reported ceasing operations in the last ten weeks (five percent of respondents).

Payroll Protection Program Loans

- The Paycheck Protection Program (PPP) recently provided crucial financial support to over 5,300 Minnesota nonprofits. Data from the Small Business Administration shows nonprofits received five percent of the number of PPP loans in MN, totaling an estimated \$3.4 billion* (9 percent of estimated total). The total estimated value of PPP loans given to MN nonprofits is four percent of the sector’s collective annual revenue. **Because only loan amount ranges for loans over \$150,000 were provided, the middle value of each range is taken as an estimate for the loan amount.*
- Among respondents, 78 percent of nonprofits applied for and received a PPP loan, and the amount received averaged 14 percent of their annual budget. No organizations reported applying for a PPP loan and being declined, while 19 percent did not apply. The top reason reported not applying for a PPP loan was “The funds did not apply to our organization.” (42 percent)



Impact of George Floyd’s murder moving from the streets to the Capitol

...continued from page 1

On July 9, the Philanthropic Collective to Combat Anti-Blackness & Realize Racial Justice was launched to raise \$25 million for its Black-Led Movement Fund, which will be housed at Nexus Community Partners in St. Paul. Black Visions, a Minnesota organization, will help determine how funds will be distributed.

Calls for fundamental criminal justice reform, including to defund the Minneapolis Police, received the support of a majority of the Minneapolis City Council. A broad set of police accountability changes were presented to the Minnesota Legislature by the legislature’s People of Color and Indigenous (POCI) caucus, which included:

- Raise standards of conduct and police accountability
- Strengthen the investigation and prosecution of officer-involved deaths and wrongful actions
- Increase police accountability and transparency
- Repair and build community trust and create community-centered public safety



Photo by Isaiah Rustad

Large parts of the nonprofit sector have joined calls for action on criminal justice reform and police accountability, and support larger agendas of racial and economic equity, including declaring racism as a public health emergency. More than 90 organizations (including MCN and the Minnesota Budget Project), signed a Letter of Support for House POCI Caucus Police Accountability Legislation.

During an eight-day special legislative session in June, the House approved a package of 20 criminal justice proposals. The Senate passed five different public-safety-related bills, but nothing

final was agreed to, and another special session is expected.

Consequences from the murder of George Floyd at 38th & Chicago Avenue in Minneapolis continue to be felt all over the world, with more Americans taking part in public protest than at any point in our nation’s history. This could be a period of significant, sustained social and political change, depending on whether actual changes are adopted by federal, state, and local officials, and continued pressure is brought to dismantle the historic results of systemic racism.

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Agendas and Action

When it comes to fair representation, we have a lot to learn

by Marie Ellis, MCN public policy director

Since Minnesota became a U.S. territory in 1849, only 50 of our legislators have identified as BIPOC (Black, Indigenous, and People of Color). Out of a total 5,321 legislators, that is a mere 0.9 percent. Not even one percent. In ONE HUNDRED AND SEVENTY ONE YEARS.

Representation matters. When BIPOC communities, who make up 20 percent of our population (and growing), are not being properly represented in our government, our government is unable to recognize and represent the actual needs of their constituents. It's not a coincidence that Minnesota has had extremely low percentages of BIPOC representation at the legislature and is home of the [Minnesota Paradox](#).



We didn't learn about BIPOC legislators in school, so let's learn together now. Alexis Bailly was the first BIPOC legislator in Minnesota. He served in the 1st Territorial House in 1849, one of six Indigenous men who served between 1849-1862. The library at the Minnesota Historical Society has a [collection of his papers](#) — sounds like a field trip for the MCN public policy team is in order when the library reopens!

Female legislators make up only 5 percent of the total number of legislators who have served Minnesota. There have been only 18 BIPOC women legislators in the history of our state, just 0.3 percent of all legislators. The first BIPOC woman legislator was Edwina Garcia in 1991, who continues her work as public servant today as a member of the Richfield City Council. Minnesota's first Black legislator was John Francis Wheaton, and our first Black female legislator was Neva Walker (look for more about both of them in a future edition).

Systemic barriers have kept BIPOC individuals from running for office. In addition to the immense forms of systemic racism that we can see in the Minnesota Paradox data, BIPOC candidates face political parties and voters who see white candidates as being more electable, funding networks that are not as established as those for their white counterparts, and a [perceived lack of qualifications](#).

1942-1963 was another swath of time with no BIPOC representation at the legislature. NONE. Now, it's true that the BIPOC population in Minnesota was much smaller during those years than it is now. In 1960, 1.2 percent of Minnesotans were BIPOC (though the number may have been higher, because Hispanic and multiracial individuals may have been counted as White). And those 1.2 percent deserved representation in their legislature. We have 201 legislators, plenty of room to include representation for even small communities.

Underrepresentation (especially major, persistent, long-term underrepresentation) of our BIPOC communities is a deeply problematic thing for both the history and future of our state. There are [currently 21 BIPOC legislators](#) serving in the House and Senate, out of 201, making up just over 10 percent of our legislature.

There are concrete actions we can all take towards better representation in our legislature for all Minnesotans. Support BIPOC candidates whose values align with yours. Encourage BIPOC friends and coworkers to run for office and volunteer on their campaigns. Engage your communities to vote. (MCN will be working with nonprofits to [support this nonpartisan work in 2020!](#)) Understand and take action to dismantle the hurdles that have made it so much easier for white people to run for office, like how elections are funded, how districts are drawn, and how political parties recruit candidates. Advance racial equity in broader issues like housing and education.

Together let's learn about and honor these legislators, who not only served their state as policymakers but did so as visible and public anomalies. Their contributions should be well-known to all of us. Each and every one of them has a page on the Minnesota Legislative Reference Library's [Legislators Past & Present](#) page. There's so much more to learn.

Note: Data is from the Legislative Reference Library, which notes that these legislators are identified as being "members of various minority groups" and have "either identified themselves or were identified in a newspaper or book as a member of a minority group."

Keep our democracy healthy: complete your census and vote early this year

The start of 2020 has been an anomaly, and the future is just as unpredictable. If there's one thing we do have control over, it's leveraging our power in shaping our democracy, through voting and participating in the decennial census.

Last year, the Minnesota Council of Nonprofits (MCN) granted \$151,000 to 41 nonprofit organizations in Minnesota to conduct census outreach to historically undercounted communities. The 2020 Census counts all people residing in the United States. The numbers inform the way decisions are made in government, nonprofits, and businesses.

In response to COVID-19, the Census Bureau extended self-response on the census until October 31, 2020. As MCN and our grantees wrap up that work, MCN is looking forward to the next opportunity to participate in democracy: mobilizing nonprofits to educate voters.

Voting early ensures healthy communities and a strong democracy. We are already seeing how the COVID-19 crisis impacts voter turnout across the country. That is why key focuses for this year's election include: informing voters about how they can vote early and recruiting for election officials.

MCN supports voting early in the form of absentee (mail-in) or voting early in person, as tools to both increase access to voting and to keep poll workers and people who decide to vote in person safer from COVID-19. Here are two key ways nonprofits can strengthen voter engagement this year:

Vote Early!

Encourage voting from home (using an absentee ballot). It is a safe, secure method of voting that allows Minnesotans to avoid the polling place if they do

not require assistance. Voting at home also reduces the number of people who are physically at the polls.

If someone needs assistance and has to vote in-person, consider voting early at the local county polling location. Early voting typically starts 46 days before an election. Make sure to take note of important start and cut-off dates by visiting the [Minnesota Secretary of State's website](#) and getting familiar with the Minnesota election calendar.



Poll Worker Recruitment

Can you believe 30,000 poll workers are needed each year to make elections happen in Minnesota? The COVID-19 crisis makes it difficult for vulnerable populations such as seniors, who make up 70 percent of poll workers, to participate as poll workers this year.

With the Secretary of State's office expecting a decrease in poll workers this year, nonprofits are encouraged to help to recruit, including outreach to local youth (for student election judges, aged 16 and 17). Each county is also recruiting poll workers, and you can inform your audiences that poll workers are essential and needed.

Lastly, a consent decree made two changes for the August 11 primary election for state, county, and municipal offices. Any additional rulings or consent decrees regarding the November 3 election are separate. This is complicated, and if you do any elections engagement work, you are likely to get questions, so be sure to read the following carefully.

1. Already registered voters who request an absentee ballot for the August 11 election do not need a witness for their signature envelope. Voters will either have a sticker in the witness signature spot or receive an additional notice with their ballot.
2. Unregistered voters requesting absentee ballots still require a witness, including checking documentation to conduct same-day registration. Absentee ballots for August are only counted if they are received the day before the county canvas (either one or two days after the election — check your county) AND is postmarked by Election Day.

We all have a part to play as nonprofits to keep our community healthy and civically engaged. Minnesota has led the nation in voter turnout for the last eight presidential elections. In 2018, Minnesota had the highest voter turnout for midterm elections in the nation. Let's continue this streak!

Looking for opportunities to learn more about elections? MCN is offering several free election trainings in the coming months. Visit MCN's [election webpage](#) for more information.

Michelle Chang, MCN policy and equity coordinator

Minnesota policymaking only partly rose to this year's challenges

This year presented a policy landscape unlike any other. A peacetime emergency due to the coronavirus pandemic was called in March, COVID-19 caseloads reached the tens of thousands, a deep economic shock shot unemployment insurance claims up to record-breaking levels, and advocates and lawmakers adapted to a state Capitol largely shut down for public health reasons.

On May 25, George Floyd was killed at the hands of the Minneapolis Police Department. His horrific death sparked global protests and deep conversations about the future of policing and the urgency to build a state where we all feel safe, regardless of race, religion, or region.

This year, there were also more ways policy action got done: a regular legislative session, Governor Tim Walz's emergency authority, and special sessions in June and July, triggered each time Walz renewed the peacetime emergency for an additional month.

The Minnesota Budget Project joined with many other Minnesotans in calling on policymakers to take bold action so that Minnesotans can be healthy, safe, and financially secure; to build a stronger and more equitable recovery; and to truly listen to the Black, Brown, and Indigenous Minnesotans who have long called for justice.

Here's a progress report on some of the policies we advocated for this year.

Policing and justice reform

In June, legislators in the POCI (People of Color and Indigenous) Caucus introduced a legislative package to reimagine how the state's policing and justice systems work. These proposals ranged from changing police training methods to investing in community-based mental health services to restoring the right

to vote for formerly incarcerated Minnesotans. This legislation was passed by the House and endorsed by the Walz administration. However, the Senate responded with a much more limited set of changes.

Minnesotans continued to raise their voices for change. In the July special session, legislators passed a compromise package that expands training for mental health and crisis intervention, creates an independent Use of Force Investigations Unit, and adds new roles for community members to engage with the Peace Officers Standards and Training (POST) Board, among other changes.

While further policy action at many levels of government is needed to bring about transformational change, Representative Carlos Mariani said of this legislation, "It's a beginning that says accountability is right, ending brutality is vital to our democracy, racial justice must be at the center of all, a new vision for public safety can pull us all together."

Flexibility to maintain access to health care and economic supports

In response to the coronavirus, state emergency declarations, as well as legislative action, provided needed flexibility in service delivery so that Minnesotans can continue to receive health care, housing, food assistance, and other essential services with fewer barriers. These include things like automatically renewing eligibility and allowing health care services to be delivered through telemedicine.

Investments in affordable child care

Minnesota's child care assistance program (CCAP) brings down the costs so that kids get the care that helps them thrive, parents can go to work or school, and employers have the workers

they need. Minnesota's child care system was also hit hard by the economic disruptions caused by COVID-19.

In Minnesota, rates paid to child care providers participating in CCAP are woefully out of date. Legislation passed in June draws on federal funds to raise reimbursement rates up to the 25th percentile of market rates, which meets the bottom-rung standard to avoid federal penalties. While rates will still be very low, this is a small and important step toward all Minnesotans having affordable child care that meets their family's needs.

In March, Walz and the Legislature also agreed to provide emergency grants for providers caring for the children of essential workers to help bridge the additional financial strain, and the governor approved a further \$57 million in emergency grants for child care providers in July.

Minnesotans left out of COVID economic support legislation still left out

Some of the Minnesota families and children most struggling to afford the basics, as well as our economy overall, would be better off had policymakers enacted proposals like:

- A one-time \$500 emergency payment so the very low-income families participating in the Minnesota Family Investment Program (MFIP) could afford the basics, from rent to diapers; and
- Economic assistance for Minnesotans not reached by other COVID relief efforts, including those excluded because of their immigration status.

Nonprofits have gone virtual during COVID-19. How is it going?

If your organization has shifted to a mostly virtual existence over the last several months, you may have an opinion on how it is going. Are you curious about how your nonprofit peers across the state are adapting to fundraising, programming, relating, and advocating from their living rooms, kitchen tables, and front stoops? We thought so, and that is why we decided to ask our members across several subsectors, “How is it going?” Below is a glimpse into the resilience and creativity we are seeing among nonprofits pivoting toward a virtual reality with an unknown end point.

Work and Community Engagement from a Screen

When the Ordway Center for Performing Arts in St. Paul moved to remote work in March, Tommy Sar, then coordinator of community programs, felt at home both literally and figuratively.

An avid online gamer who has felt a part of a thriving virtual community for years, Tommy describes online relationship building as his normal. When colleagues felt trepidation about remote, virtual work, especially those within the sphere of community engagement, he invited them to consider how sharing and bonding can look online and to check their assumptions about what is and isn't the “right” way to connect.

Moreover, Tommy noted that moving through the world in a primarily virtual way has the potential to be an equalizer for people with varied abilities. As someone who uses a wheelchair and experiences hearing loss, he shared that remote work, be it his day job or his volunteer board activities with St. Paul-based Minnesota Regional Arts Council, simplifies life for him because he (and everyone else!) doesn't have to physically get to an office space and then, often times, negotiate large-room acoustics. He can hear conversations

with colleagues more fully now, despite the typical online fumbling of folks inadvertently talking over each other.

In a scenario where we're apart, yet together, Tommy sees people being more intentional about how and when they reach out and speak up. He acknowledged the impact and importance of “direct presence,” and how the total lack or significantly limited face-to-face connection is hard for many. He also called attention to the unevenness of access to reliable internet and devices to support it, as well as camera fatigue and opting out of being “on camera” simply to zone out, or multi-task between work and home obligations.

Ending on the positive, Tommy expressed noticing his co-workers and himself being more honest and vulnerable with each other saying, “We're trying to control less and just lean into our lives.” We're all human and we can reinvent what so-called normal work life looks like.

Moving Fundraisers and Fundraising Online

Nonprofits across the state are moving annual fundraising events to virtual formats. Rochester's Intercultural Mutual Assistance Association (IMAA) typically holds its Pearl Gala in a beautiful ballroom with a plated dinner and inspiring speakers. This year, they are working on recreating the feeling of physically being in community at an event, acknowledging that this social element is as important for people as listening to the inspirational speakers.

IMAA is exploring adding music to their program and offering a hybrid event where speakers would convene live in a socially distanced and safe way and participants would attend virtually. Additionally, IMAA is imagining ways in which people could still celebrate community through social media watch parties, small group conversations, or

live chatting during the event.

Summer Camp Without a Camp

Wolf Ridge Environmental Learning Center in Finland, MN offers year-round environmental and outdoor learning opportunities, including summer camps. In the words of executive director Peter Smerud, Wolf Ridge's typical experiences are, “...just about the opposite of social distancing, from sharing a tent to a cabin or doing team-building games.” And he recognizes Wolf Ridge is not alone.

The last several months have been deeply challenging for organizations that are rooted in camp-like, multi-sensory, place-based enrichment. So what to do in this vulnerable state? For Peter and crew, they have been able to dive into developing online learning content, an area he identifies as “...a bit of big lift for us.”

An exciting outcome has been an accelerated rise in leadership among younger team members who have embraced the organization's virtual adaptations, including better videography and a more robust employment of ArcGis Story Mapping, a technology to support digital storytelling through customized maps.

Reflecting on this moment, Peter says, “At a time where we could be, and many are, hibernating, we're actually raising our capacity and skill sets. By the time this is all over, we'll be darn good at digital-based outreach. It's going to be so interesting to see how we use it for the long term.”

Contributors: Kari Aanestad, director of advancement; Terri Allred, Greater Minnesota and Southeast regional coordinator; Courtney Gerber, program director; Kelly LaCore, Northeast regional coordinator; and Sondra Reis, director of e-learning

MCN's 2020 Legislative Session ... Summary?

As the inimitable Yogi Berra said, "It's like déjà vu all over again." The Minnesota State Legislature wrapped up its second special session in the early morning of July 21, after passing notable policing reform. Much like the end of the regular session and first special session, however, there was no deal on bonding or taxes.

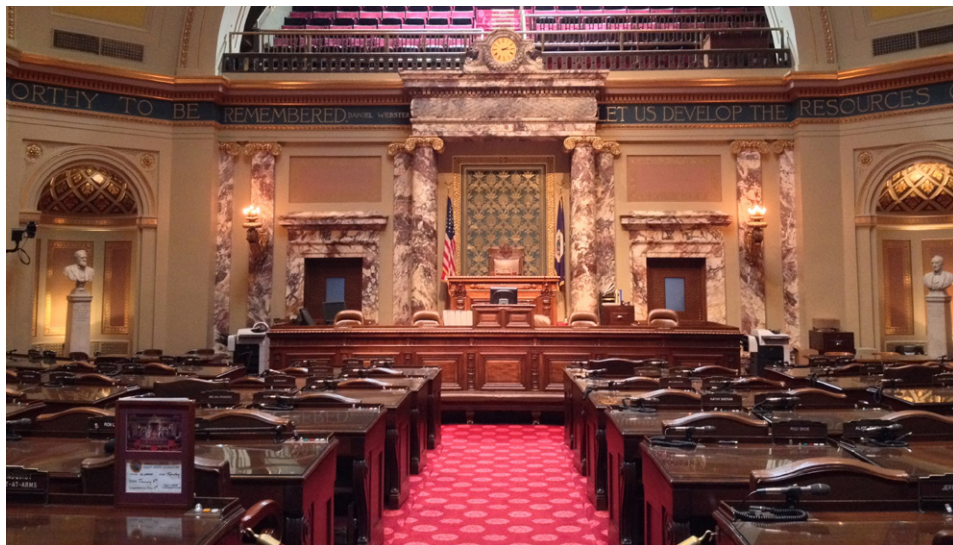
Below is a summary of what happened during the 2020 legislative sessions on MCN's policy issue priorities and other significant reforms that MCN supports.

Advancing Racial Equity through Capital Investment

Why is it like "déjà vu all over again?" Two pieces of unfinished business at the end of the regular session in May were a bonding bill and a taxes bill. Neither were taken up for a vote. Two pieces of unfinished business for the first special session in May were a bonding bill and a taxes bill. Neither was taken up for a vote. Say it with me now: Two pieces of unfinished business for the second special session in July were a bonding bill and a taxes bill. This time (the second special session) the majority parties in the House and Senate came to an agreement on a bill that combined bonding and taxes, including \$1.4 billion in bonding.

That bill, Special Session House File 3, was brought to a vote in the House. The Republican caucus in the House refused to vote for the bill unless there was change to the Governor's peacetime emergency powers, and a bonding bill needs more than a simple majority to pass, so it was voted down. The Senate did not vote on that bill.

MCN and the Minnesota Budget Project, along with many partners, have been advocating for provisions related to advancing racial equity in our state through capital infrastructure (aka bonding or capital investment). House File 3, which you'll recall from



above did not pass, included an [Article specific to equity](#) (a first!). We are very heartened to see that the bill included \$30 million to support capital projects from community-based organizations that are led by and serve communities of color and American Indians – a recommendation included in Governor Walz's budget proposal which we supported.

Some of the specific projects that House File 3 included towards that \$30 million were Hmong American Farmers Association, Northwest American Indian Center in Bemidji, and the International Institute of Minnesota.

Additionally, that bonding bill included important language requiring projects funded by state general obligation bonds proceeds to comply with human rights provisions related to gender and race equity in hiring, which would create more career opportunities for those individuals who have been historically under-represented in the construction industry. The fact that these pieces were included in the bill negotiated by House and Senate leadership is a good start for the next phase of this work of advancing equity through bonding.

Taxes

As for the realm of taxes, MCN was advocating for nonprofit-related tax

pieces to be included in any tax bill that passed.

House File 3 included an important and common-sense change to the amount of mileage reimbursement subtraction volunteer drivers can deduction from their state income taxes. We have been hearing from nonprofits across the state about issues with low retention of volunteer drivers in part because a portion of the reimbursement is considered taxable income. We joined [a coalition](#) of nonprofits, counties, and other associations to educate legislators on this problem and find a fix. That coalition was successful in getting language to fix the problem into House File 3, and we will continue working together to advocate for this fix in 2021 or a future special session.

One important item that was not included in House File 3 was an expansion of Minnesota's non-itemizer charitable deduction, which had passed the Senate. This expansion would have allowed taxpayers to take a deduction of 60 percent of their total charitable giving after the first \$300 (the current deductible amount is 50 percent of total giving after the first \$500).

Providing Minnesotans greater incentives to give charitably will provide immediate, positive results,

continued on next page

2020 Legislative session pros, cons, and work still to come

...continued from page 1

supporting our state's nonprofits in the work they do. We will continue to advocate for this expansion!

Voter Privacy

MCN was the leading voice at the Legislature advocating for privacy protections in the Presidential primary this past March, and such primary elections in the future. Minnesota recently returned to a statewide presidential primary (as opposed to the one-night-only caucus events hosted by the state's major political parties).

In order to vote in the Presidential primary, Minnesotans were required to state their party preference in order to get the primary ballot for that party. That information was collected, and each voter's name and party preference is available to the chairs of each of the major political parties. There are no parameters around how the chairs can use or share this information.

We had made enormous inroads on the issue at the Legislature to change the law prior to the Presidential primary in March. Had there been two more days of session at the Capitol before the pandemic turned everything upside down, we may very well have succeeded. That did not happen, and the issue is much less urgent now since the next Presidential primary is not for four years.

State Contracts

MCN was also instrumental in supporting a bill allowing state contracts to nonprofits to be extended if the organization is unable to fulfill its contract deliverables due to COVID-19. The language was included in Second Special Session House File 14, which was never brought up for a vote. Organizations that will not be able to fulfill their contract deliverables due to COVID-19 should work with the appropriate state agency to hopefully extend the timeline for the work.

Unemployment Insurance and Reimbursing Employers

MCN continues to educate lawmakers about nonprofits who are reimbursing employers for unemployment insurance claims, and the extremely burdensome bills some of them will soon be facing.

Charitable nonprofits have the option of electing to self-insure rather than paying a regular state unemployment insurance tax. Nonprofits that take this option are known as reimbursing employers, because they directly reimburse the state's unemployment insurance trust fund for the amount of benefits their employees claim.

We are pushing very hard at the federal level for Congress to increase relief for reimbursing employers, while working to ensure that state lawmakers understand the problem and the state's potential role in relief, should Congress fail to act. If this is an issue for your organization and you would like to be included in email updates or we can assist your organization in talking to your elected officials about it, please connect with [Ileana Mejia](#), MCN public policy advocate.

Racism Declared a Public Health Crisis

During the second special session, the Minnesota House declared via resolution that racism is a public health crisis. MCN agrees that Minnesota needs a coordinated systemic response to dismantle systemic and structural racism, and is continuing to build out our role in that work.

Policing Reform

MCN supported the [policing reform package](#) put together by the Legislature's People of Color and Indigenous (POCI) Caucus (see page 7 for more information). We are grateful for the groundwork on policing reform that nonprofits and other community leaders have laid over the past many years,

their persistence and grit, and for the leadership of the POCI Caucus.

Why the question mark?

All in all, the 2020 sessions have been a mixed bag. This session was a first at MCN for both Marie (public policy director) and Ileana (public policy advocate). We have both so enjoyed getting to know our fellow nonprofit advocates and have appreciated the great advocacy partnerships in the nonprofit sector. We are really looking forward to continuing to work on these issues, to take on new issues, and to work with more members to find out what your organizations are experiencing and how advocacy can support your work.

You may have noticed the question mark in the title of this article. It's there because it's unclear whether the 2020 legislative season is indeed over. There may well be a third special session in August, and more after that, as Governor Walz calls a special session each time he extends the COVID-19 related peacetime emergency for another 30 days.

We do not expect to see much, if any, legislation passed during these special session (if they do indeed happen), but to once again quote Yogi Berra, "It ain't over 'til it's over."

Sign up for our [Nonprofit Advocate e-newsletter](#) to learn more about our trainings, public policy updates, and more!

Contributors: Marie Ellis, public policy director and Ileana Mejia, public policy advocate

Strong federal policy action needed to alleviate hardship, prevent deeper recession

The scope of the economic downturn is staggering. Unemployment rates hit levels higher than anything seen since the Great Depression. One in five American workers have applied for unemployment insurance since February. People of color are facing the highest levels of unemployment at the same time they are disproportionately harmed by the virus itself.

Only the federal government can engage in stimulus spending and act at the scale needed to respond to an economic crisis that could be bigger than any seen in our lifetimes.

MCN's public policy and Minnesota Budget Project teams have been working to educate our congressional delegation and engage Minnesota nonprofits in support of federal policy solutions that strengthen nonprofits, boost funding for state and local governments, promote economic well-being, and stave off a deeper and more prolonged recession.

Congress is expected to act soon on its latest COVID-19 response and economic stimulus package. The U.S. House of Representatives' HEROES Act is a multi-pronged approach to the pandemic and resulting economic fallout that includes a robust set of economic supports targeted toward those facing the greatest hardships as a result of the coronavirus, including those left out of previous economic stimulus efforts.

Among the measures in the HEROES Act that we're advocating for inclusion in the final stimulus legislation are:

- An extension of expanded federal unemployment insurance (UI), including the additional \$600 weekly boost, through January 2021. For many workers and families, extended UI makes it possible to pay the bills. But without Congressional



action, these benefits will expire July 31, 2020, despite the fact that unemployment remains high and is expected to remain so through most of 2021.

- A 15 percent increase for food assistance through SNAP, the Supplemental Nutrition Assistance Program. This win-win approach supports families to put food on the table and stimulates spending in grocery and other local stores.
- A more inclusive second round of economic stimulus payments that includes immigrants, teenagers and young adults, and adults living with disabilities who were left out of the first round of stimulus payments.
- Boosting the incomes of lower-income workers and families through temporary expansions of the Earned Income Tax Credit and Child Tax Credit. These provisions would have a strong impact on reducing poverty and reaching very low-paid workers.
- Additional housing assistance to help folks stay in their homes, make shelters safer, and provide temporary housing for those who need it.

As the world grapples with dual health and economic challenges, strong policy responses are needed. Watch the Minnesota Budget Project's website at www.mnbudgetproject.org for updates on this legislation.

Contributors: Nan Madden, Minnesota Budget Project director; Laura Mortenson, Minnesota Budget Project communications director

Greater Minnesota Collaborating in Response to COVID-19

Around our state, nonprofits are coming together, partnering with local government and private sector leaders to help those most affected by the COVID-19 pandemic.

In Rochester, the Rochester Nonprofit Consortium had been meeting since 2017, bringing together 200 local nonprofits to collaborate on issues surrounding operational efficiency. They were a natural convener to coordinate the overall response to the pandemic including the distribution of food resources. Brooke Carlson, of the Consortium shares, "In a partnership across sectors, including local government and the Rochester Public School system, Channel One became the 'food hub' in the COVID-19 response, which developed a number of coordinated responses to meet the urgent needs of area residents."

The Winona Nonprofit Alliance was also meeting prior to COVID-19, convening over 50 nonprofits to maximize their community impact. They continue to meet to support each other and engage in professional training. They have also launched a Winona Gives fundraising page, hosted at the Winona Community Foundation, to serve as a portal for community members to easily locate and contribute to nonprofits in Winona. Brian Voerding of Engage Winona explains, "This group has never been 'just another meeting,' because the relationships, learning, and shared resources have saved nonprofits leaders so much time and headaches in their daily work."

Terri Allred, Greater Minnesota and Southeast regional coordinator

Nonprofit News and Advancements



Andrea Sanow joined Propel Nonprofits as the organization's new marketing manager.

FamilyWise Services and Minnesota Communities Caring for Children (MCCC) have merged, uniting under FamilyWise.



Sara Dziuk was named president and CEO of Junior Achievement of the Upper Midwest, following the retirement of Gina Blayney.



Avivo promoted Darcy Deiderich Flinn, currently the organization's chief financial officer, to the additional role of chief operations officer.

David Montgomery was named interim president and CEO of the Duluth Superior Area Community Foundation.

Hamm Clinic announced its collaboration and co-location with Minnesota Institute for Contemporary Psychotherapy and Psychoanalysis.



Madeline Folstein joined Charities Review Council as the organization's communications and administrative associate

Lifeworks Services promoted Emily Rohrer to director of advancement.



Ron Johnson was elected as the League of Minnesota Cities' second vice president.

The Minneapolis Foundation appointed Julie Baker, Mary Grove, Sara Lueben, Becky O'Grady, and Sharon Pierce to its board of trustees.



Pahoua Yang Hoffman joined the Saint Paul & Minnesota Foundation as the organization's new senior vice president of

community impact.

Grow North named Allison Hohn as its new executive director.



Jennings Community School named Krissy Wright as its executive director, succeeding Bill Zimmiewicz, who retired after 14 years at the helm.

DARTS appointed Michele Engdahl, Shelagh Kalland, and Suzanne Pearl to its board of directors.



Eagle Bluff Environmental Learning Center named Colleen Foehrenbacher as executive director.

Meghann Boser was named executive director at the United Way of Morrison County.



The Albert Lea-Freeborn County Chamber of Commerce hired Shari Jenson as its executive director.

The Superior Hiking Trail Association has hired Lisa Luokkala as its new executive director.

Submit Your Announcements

MCN member organizations are invited to submit your organization's awards, staffing announcements, and other news to jwurm@minnesotanonprofits.org. MCN cannot guarantee that all announcements will make it into *Nonprofit News*.



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2019 Nonprofit Mission Award Recipient for Innovation: Lights On! by MicroGrants

Lights On! is a creative MicroGrants program that transforms routine traffic stops from negative interactions into positive community building opportunities. With Lights On!, instead of issuing citations, police officers can hand drivers a voucher good for free repairs of their broken headlight, tail light, turn signal, or brake light.

After Philando Castile's tragic death, after being stopped for a burned out light, the MicroGrants board labored over how they could prevent a similar event from occurring. Mr. Castile had been stopped 49 times over the 14 years that he had his license. His struggle to pay off his traffic fines and court fees, while still maintaining his license, job, and housing, is a common problem for low-income drivers across our country.

Lights On! was created to address the problem of burned-out bulbs, a common justification for police traffic stops. The concept is simple and the program expanded rapidly, because everyone knows that awful feeling of seeing flashing lights in their rearview mirror. Lights On! changes what usually is a negative confrontation into a positive resolution.

Lights On! offers several benefits for communities, including safer roads, improved police-community relations, reduced officer stress, and preventing low-income drivers from having to choose between paying their fine or buying groceries or possibly risking the loss of their licenses. This unique perspective with Lights On! encourages communities to reassess some of their other challenges and determine if they too can be transformed from punitive to restorative.

Lights On! works with police departments and auto service providers to

make the program possible. Initially, MicroGrants sought out police departments to participate in the program, but now departments from across the Twin Cities, and the nation, are calling the organization to join.

As of the end of 2019, Lights On! repaired over 600 car lights and involved 35 Twin Cities metro communities, with Rochester and St. Cloud joining in June 2019. They also work with 17 geographically dispersed auto service providers.

For low-income drivers, the cost of paying for even one ticket can be financially devastating. Drivers should take responsibility for ensuring that their car is road-worthy. But it is a justice issue when the consequences for a ticket, due to a burned-out headlight, result in the loss of someone's license, and then possibly their job, then their housing, and so on.

A Lights On! voucher will not completely change police traffic stop practices as they relate to race, nor will it totally prevent a low-income driver from sliding deeper into poverty. But with every voucher distributed and redeemed, participating communities have opportunities to grow closer and possibly prevent a tragedy.

As a result of the Lights On! program's unique solution to an all-too-avoidable community safety issue, the Minnesota Council of Nonprofits was honored to present the MicroGrants with the 2019 Nonprofit Mission Award for Innovation.

Learn more about MicroGrants' Lights On program at www.lightsonus.org.



AT LAST
WE MEET
AGAIN
We are ready for you.

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ACTcon keynotes to explore the stories we tell and roles nonprofits can play in challenging times

The moment COVID-19 appeared in our communities, Minnesota nonprofits were forced to drastically shift how they coordinated and hosted in-person gatherings. As many events rapidly fell victim to the pause button, MCN made the difficult, but necessary, decision to transition [ACTcon](#), the first-ever combined fundraising, communications, and technology conference, from its original date on May 5 in St. Paul to a two-day virtual event on September 9 and 16.

While the timing and delivery method may have changed, the purpose and content of the original conference remains intact, including two inspiring and insightful keynote addresses from respected media and sector voices, Jana Shortal and DeAnna Cummings, respectively.

Exploring the Stories We Tell

A five-time Regional Emmy recipient and current anchor of KARE 11's "Breaking the News," Jana Shortal has made a career out of shining a light on stories not often told. On September 9, Jana will be connecting with ACTcon attendees to explore "The Stories We Tell." Faced with the prospect of guiding a virtual room filled with people who tell and are moved to action by stories, Jana's advice remains remarkably consistent in both good times and bad.

"To tell a story is to connect — and to move forward, to progress, have progress — connection is critical," says Jana. "Always let an individual tell their, her, or his story first. Provide the platform, the means, and let the story be told."

Navigating a once-in-a-generation pandemic, while simultaneously living and working amidst a historic racial justice uprising, has brought even more clarity

to Jana's approach to storytelling.

"Listening, a whole lot more than I talk," Jana responded, when asked about which habit she'll carry with her in 2020 and beyond. "Two ears and one mouth came with this body for a reason, I realize now."



Thinking About Nonprofits in More than Just a Charity Frame of Mind

From her time as a cofounder and the CEO of Juxtaposition Arts to her new role as Arts program director at the McKnight Foundation, DeAnna Cummings has always had a passion for finding ways to foster thriving relationships between nonprofits and the businesses and communities with whom they work daily.

As our state and nation enter a time when nonprofits are playing vital roles in addressing the complex challenges before us, while simultaneously facing unique threats to their own financial survival, DeAnna views a fundamental revisioning of nonprofits by external audiences as an essential component to the sector's continued effectiveness and impact.

"I like to remind people that nonprofits are businesses, like any other," says DeAnna. "One difference, however, is that nonprofits are selling the public impact of what they do, in addition to the other goods or services they produce."

That core difference, DeAnna believes, is key to understanding how cross-sector collaboration can continue to evolve as we face both opportunities and challenges.

"Too often, business and community members approach nonprofits with a benevolent charity frame of mind instead of a business mindset," DeAnna says. "So, they contact nonprofit staff about bringing their full team to visit and volunteer for a day a service. Although these kinds of service events feel good for the participants, the truth is that, for many nonprofits, they are more burden than help. What if businesses asked nonprofits what they would really benefit from? What if our goal was more robust benefit for all parties that lasts beyond a single day."

In times of crisis, having skilled fundraising and communications at your nonprofit is paramount to not only weathering potential storms, but emerging stronger and with renewed purpose. And while the concept of ACTcon was born prior to our current pandemic and civil uprising, bringing hundreds of advancement professionals together to learn and connect with one another represents an opportunity for our sector to move forward collectively.

To learn more about the keynote addresses from these incredible thought leaders, as well as more than two-dozen timely breakout sessions, please visit www.minnesotanonprofits.org/ACTCON and register today!

Contributors: Courtney Gerber, program director and John Wurm, membership and communications director

State of Minnesota faces revenue shortfalls; will need all the tools in its toolbox

The health and economic crises affecting Minnesota nonprofits and our daily lives have implications for the state's budget as well. In May, the state took the unusual step of releasing an interim budget projection. It projected a \$2.4 billion budget shortfall for the current two-year state budget cycle.

This outlook was largely confirmed by the recent July Revenue and Economic Update. Soberingly, this quarterly report from Minnesota Management and Budget shows that projections for the national economy have worsened. Economic forecasters predict a 6.1 percent reduction in the nation's GDP in 2020. While they expect economic growth to resume in 2021, they've significantly lowered that projection to only 3.7 percent.

These numbers underscore why policymakers must act to meet the health and economic security needs that Minnesotans and our communities face. They also demonstrate the strain on state budgets. Policymakers will need to bring the state's budget back into balance before the budget cycle ends next June, as the state's constitution

requires, and will likely face further revenue shortfalls when they work to put together the next budget in the 2021 Legislative Session.

This is a time that policymakers will need all the tools in the toolbox to weather this crisis, and to build a stronger and more equitable recovery. Additional federal funding for state and local governments, judicious use of the state's budget reserve, and fair state revenues are three key tools to get us through. Federal aid to states, local governments, and tribal governments will be essential. All these levels of government experience the double whammy of needing to meet the pressing needs of their communities at the same time that their revenues are dropping as a result of declining economic activity.

In contrast, the federal government can and must take on the role of stimulus spending in a downturn. The Economic Update points to the importance of further federal action – one reason for the worsening economic projections is the drag of state and local government budget cuts.

Federal policymakers are developing their next round of COVID-19 response legislation, and we've been advocating for strong additional aid to state and local governments. This would create a strong economic boost, ensure that key public services can continue, and keep teachers and other critical public employees on the job. The Center on Budget and Policy Priorities estimates that states are seeing deeper revenue shortfalls than during the Great Recession.

State-level policymakers also have a role to draw on the resources Minnesota need to take care of each other. Minnesota should wisely use its strong budget reserve, which has been built up over the past several years to prepare for a time of economic crisis. And fair state revenues also need to be part of the solution. The economic downturn is not impacting all businesses and people equally. It makes sense to ask those who have not been hard hit – profitable corporations and high-income people – to shoulder more responsibility for funding the essential public investments that we need to help us all get through.



Minnesota Council of Nonprofits
2314 University Ave. W, Ste. 20
St. Paul, MN 55114
Phone: 651-642-1904
Toll Free: 800-289-1904
Fax: 651-642-1517
info@minnesotanonprofits.org
www.minnesotanonprofits.org

Mission

MCN works to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

New MCN nonprofit member discount partner: GrantStation

MCN is proud to announce a new partnership with GrantStation, an online resource that helps nonprofits, educational institutions, and government agencies identify potential funding sources for their programs or projects, as well as provides resources to mentor these organizations through the grantseeking process.



With GrantStation becoming a member discount partner in Spring 2020, MCN nonprofit members can now purchase full annual membership access to GrantStation for just \$75, a 90 percent savings off the regular price of \$699.

To learn more about GrantStation and access your member discount, visit www.minnesotanonprofits.org/grantstation.