

Deep Dive Discussions & Case Studies
Wednesday Afternoon

Peer Discussion on Racial Equity –What Role is your Community Foundation Playing?

Ellen Gilligan, Greater Milwaukee Foundation

Recent highly visible and tragic incidents have brought issues of police-community relations to light across the country. Underlying these tragic events are decades of chronic and structural gaps in opportunity, income, housing, education, health, employment, police-community relations and criminal justice practices for people of color.

Community Foundations have recently been called on to play a leadership role in the Boys & Men of Color Initiative. Join in an informal discussion and sharing (CEOs and Board Chairs) about the role your CF is playing in advancing issues of racial equity and inclusion. Share practical examples of grant investments, advocacy and research, public policy, community partnerships, internal policies and practices and culture, donor engagement, and lessons learned. No formal presentations necessary, just an informal dialogue about the work your CF is engaged in and the challenges and opportunities of leadership work in this critical area.

Many Community Foundations have been at this work for some time, and have much to share.

Bankruptcy: The Good, The Bad, and The Unknown

Mariam Noland and Jim Nicholson, Community Foundation for SE Michigan

After nearly 50 years of decline, Detroit filed for bankruptcy on July 18, 2013. Detroit had \$18 billion in liabilities, 78,000 blighted buildings, 20,000 retirees whose pensions could be cut up to 64 percent (annual pension for non-uniformed employees was \$19,000 and uniformed was \$33,000) and with the largest and most liquid asset of the City being the art and property of the Detroit Institute of Arts (DIA). An offer to help, led to what has become a 20 year plus commitment of participation by the Community Foundation for Southeast Michigan.

The session could be a brief description of the Community Foundation's engagement with the bankruptcy which included securing \$366 million from other local and national foundations; serving on legal and communications working groups with each of the participating foundation CEOs; negotiating with the City, DIA and pensioners; establishing of a new 509 (a)(3) (Foundation for Detroit's Future); working with auditors on how to treat assets and liabilities; limiting liability of the Community Foundation; and agreeing to 20 years of participation as ordered by the bankruptcy judge in the final Plan of Adjustment.

But what is probably most useful is to explore the risks and benefits of participation in such a legal manner. These include the public communications and transparency necessary, the costs (direct and time of approximately \$750,000 year one and over the next 20 years approximately \$5.5 million) and the required staffing. On the positive side we could discuss the greatly increased public recognition of the Community Foundation, many new relationships particularly in the legal community, new donors and it appears increased unrestricted gifts. We are just now figuring out our role in helping move the City forward as many new opportunities arise.

Lessons Learned: Don't offer to help! Seriously, be careful when getting involved when all the other parties have enough lawyers and advisors to fill our hotels! Not really true, but their legal bills totaled nearly \$170 million. We had our staff and limited use of outside counsel.

Leveraging Assets and Donor Engagement with Impact Investing: More Than Just a Passing Fancy

Kathy Merchant, Greater Cincinnati Foundation

(see attached materials)