

Philanthropy Journal

OF NORTH CAROLINA

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Group says fair-market value belongs to public

Coalition forming on Blue Cross conversion

By TODD COHEN

A broad coalition is forming to advocate on behalf of nonprofit and consumer interests in connection with the possible conversion of Blue Cross and Blue Shield of North Carolina from nonprofit to for-profit status.

HEALTH CARE

The coalition, tentatively called the Coalition for the Public Trust, is an outgrowth of opposition to a bill considered by state lawmakers in the last legislative session. The bill, backed by Blue Cross, would not have required the nonprofit health insurer to contribute anything to charity in the event of its conversion.

However, because of last-minute lobbying by nonprofit leaders and others, action on the bill was delayed pending a study ordered by the state Senate.

If Blue Cross converts, members of the coalition want the health insurer's entire fair market value — which they estimate ranges from \$1 billion to \$2 billion — to be retained in the form of a new foundation that would support health care for underserved children and families in the state. They estimate that such a foundation would make annual grants of \$50 million to \$100 million.

These nonprofit leaders argue that because Blue Cross is a nonprofit, it has no owners and is administered in the public interest.

Should Blue Cross become a business, they say, neither its current managers and customers nor its future owners are entitled to any profit that has resulted from the organization's nonprofit status.

Members of the emerging coalition include roughly 70 nonprofit leaders and others who signed a letter to lawmakers calling for a new foundation to retain Blue Cross' entire fair market value; the North Carolina Health Access Coalition; the North Carolina Association of Community Foundations; and the N.C. Center for Nonprofits.

Call Adam Searing, project director for the Health Access Coalition, at (919) 856-2568.

Asking for more than ever

United Way seeks \$122 million in state

Fundraising campaigns of North Carolina's 74 local United Way affiliates are in full swing. This year, the emphasis is on increasing leadership gifts of \$1,000 or more and on educating donors about their donations' impact.

By KELLY PRELIPP LOJK

Inspired by the record-breaking success of 1996 United Way campaigns throughout the U.S., United Way affiliates in North Carolina are geared up

for an encore performance.

Nationwide, United Way affiliates collected \$3.25 billion in 1996 for 45,500 charities. The 3.2 percent increase outpaced inflation for the first time in seven years. While giving in all geographic regions rose, according to United Way of America, the Southeast saw the greatest growth, 5 percent.

J. Michael Cook, chairman of the board of governors of the United Way of America, attributes the success of

FUNDRAISING



1996 fundraising campaigns to a robust economy and new standards developed since the 1992 scandal, when national United Way President William Aramony resigned and later was convicted of

misusing hundreds of thousands of dollars in donations.

Local United Way affiliates are taking advantage of the booming North Carolina economy and United Way's new accountability standards to focus

on two fundraising strategies in particular: increasing leadership gifts, which are individual donations of \$1,000 or more, and educating potential donors about the impact United Way agencies have on the community.

In North Carolina, the 74 local United Way affiliates raised more than \$115 million. This year, United Ways are trying to raise more than \$122 million in the state. (See chart, page 15.)

On average, United Ways in the state are trying to raise 6 percent more

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The South's unfinished business

Year of conferences to focus on racism, poverty, inequality

Foundations and nonprofits with roots in the South are planning and sponsoring a yearlong series of meetings on some of the region's thorniest issues. The first conference will be in Chapel Hill on Oct. 27-28.

By LESLIE WAUGH

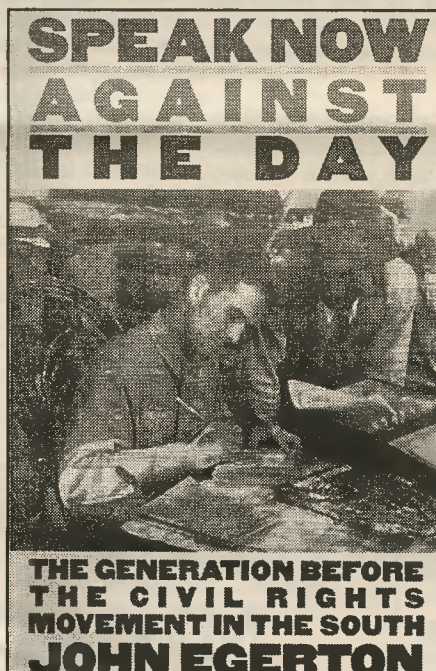
Chapel Hill

Despite advances made in race relations during the past several decades, the work to end discrimination and the social problems it breeds isn't over yet — not in the U.S., and especially not in the South.

That is the consensus of several foundations and nonprofit organizations based in the South that have joined forces to provide a forum for grassroots activists, policymakers, educators and others to explore new ways to tackle old problems: racism, poverty and inequality.

This month, the Center for the Study of the American South at the University of North Carolina at Chapel Hill will host the first in a series of six conferences designed to raise awareness about communities' successes and failures in the struggle to end discrimination.

"Unfinished Business: Overcoming Racism, Poverty and Inequality in the South" will be held Oct. 27-28 at the Friday Continuing Education Center in Chapel Hill. The invitation-only meeting will bring together corporate executives, journalists, lawyers, nonprofit managers, academics and activists from across gender, race and class lines to hammer



THE GENERATION BEFORE THE CIVIL RIGHTS MOVEMENT IN THE SOUTH JOHN EGERTON

Speak Now Against the Day inspired nonprofit leaders in the South to design a series of conferences to take a '90s look at events of the 1930s, '40s and '50s.

out fresh strategies for tackling deeply ingrained social issues that have plagued the South — and the nation — for decades.

William Winter, former governor of Mississippi and a member of President Clinton's Initiative on Race, will deliver the opening keynote address. Other panelists include Elaine Jones of the NAACP Legal Defense Fund; Chuck Stone, a journalism professor at UNC-CH; and

George Autry, president of MDC Inc., a research institute in Chapel Hill.

The Chapel Hill conference is the kickoff for subsequent meetings to be held through late 1998 in Richmond, Va.; Atlanta; New Orleans; and Memphis; and closing in Birmingham, Ala., with a call-to-action conference designed to last several days. The yearlong series will explore — and move beyond — the period from the 1930s through the '50s, an era that quietly set the stage for the tumultuous civil rights movement of the 1960s. A goal of the series is to create a new agenda for improving race relations in the 1990s and beyond.

In addition to roundtable discussions, organizers want tangible products to emerge from the conferences, such as an hourlong documentary program, a book or report on race relations and teaching tools to use in public schools.

The lead sponsor for the series is the Jessie Ball duPont Religious, Charitable and Educational Fund, based in Jacksonville, Fla., which has contributed \$250,000 for the series. The Southeastern Council of Foundations, the Southern Education

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Reform or setback?

Welfare law raises issues for nonprofits

The North Carolina legislature has finally reached a compromise on welfare policy. What are the implications for the state's nonprofit community?

By RACHEL MUIR

Capping its second longest session ever, the North Carolina legislature reached a budget agreement at the end of August. Central to this agreement is an accord on welfare, under which 13,000 of North Carolina's approximately 84,000 families on public assistance will be subject to new regulations.

LEGISLATION

The compromise stipulates that counties with a combined total of no more than 15.5 percent of the state's welfare recipients will be allowed to construct their own welfare programs, including determining eligibility criteria and level and duration of benefits.

Pilot, or "electing," counties will be able to cut welfare spending by 10 percent the first year and up to 20 percent the following year, giving counties a financial incentive to become pilots.

To qualify as a pilot, a county first must gain approval of three-fifths of its commissioners. It then must submit a detailed welfare reform plan to the state Department of Health and Human Services. The department will make recommendations to the General Assembly, which has final

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A nonprofit strives to cultivate greater understanding and tolerance of learning differences.

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