

AHP Pacific Regional News

April 2009



Regional Director's Message:

There's Still Time!

[William S. Littlejohn](#)
Regional Director

There's still time!

That is to register for the [AHP Pacific Region Conference, April 19-21](#) at the Westin Gaslamp in San Diego, CA.

I know this is a challenging time for all of us, but we know the value of our educational programs and the opportunity to share our challenges and opportunities. We're pleased that the keynote for the conference is **Martha Kendrick**, a partner in the Washington, DC firm of Patton Boggs. We'll have the opportunity to learn about the health care landscape including health care reform and the stimulus, the future of health care and the opportunities for community education and philanthropic development.

I want to thank AHP President and CEO **Bill McGinly** for his visit to the Pacific Region to speak at the Southern California Association of Healthcare Development (SCAHD) last month. His presentation, "Health care Philanthropy in Tough Times" provided an update on federal activities as well as a great list for managing in a down economy:

- 1. Take a Closer Look** - understand how you are being impacted by the downturn.
- 2. Cash is King** - ensure finances are in good order and stay close to major donors.
- 3. Focus on What Really Matters** - Evaluate your programs and projects.
- 4. Manage Your Cost Base** - Focus on enhancing operational performance.
- 5. Reliable Management Information is Key** - Use Key Performance Indicators (KPIs).
- 6. Anticipate Different Scenarios** - Demonstrate agility and flexibility.
- 7. Recognize the Value of Your People** - Establish clear communication and incentives.
- 8. Take Your Stakeholders With You** - Ensure open and regular dialogue.
- 9. Take Advantage of the Opportunities** - Never stop innovating or investing in growth.
- 10. Act Decisively** -- Make tough decisions early.

The [AHP Website](#) has great information and resources to help each of us weather the challenges and seize the opportunities in today's economic environment.

I hope to see some of you this month in San Diego. If not, stay in touch!

Best Regards,

Bill Littlejohn

Regional Conference Update

CONNECT. ADVANCE. BUILD.

AHP understands that travel budgets are being scaled back and attending conferences right now is tough. But if you can attend only one local conference this year, make sure it is the AHP Pacific Regional Conference. This event provides sessions and topics that are relevant in today's economy. At the end of the conference, you will return to your office armed with new tactics to help you weather the storm.

This year's conference, [Riding the Wave to Success: Best Practices in Philanthropy](#), will provide you with the opportunity to learn new and better ways of leading and managing development offices to meet mission-critical needs. Preconference seminars begin on **Sunday, April 19** in the morning, and the full conference program will continue through **April 21**. The program will present three key tracks on Best Practices in Leadership, Fundraising, and Relationships. The conference will present the following forums for learning:

Keynote Motivation: Take part in the general sessions to hear trendsetting speakers and their perspective on the industry.

Share Knowledge: Join colleagues for a dynamic discussion at the roundtable session.

Innovative Breakouts: Listen to colleagues lead sessions on best practices in a classroom-style setting.

Connect and Grow: Take advantage of opportunities to network with colleagues at receptions and social gatherings in the evening. Share ideas and have some fun

[More Information](#) - [Register Now](#)

Legislative Updates

By Marite Butners, J.D. LLM-TAX, AHP Pacific government relations chair

Taxpayer Certainty and Relief Act of 2009

The much awaited estate tax proposal is here. This one proposed by Senator Max Baucus. (Most estate planners were presuming that the estate tax would not really go away in 2010 and come roaring back in 2011, and that therefore some agreed upon solution would be found!)

The proposal by Senate Finance Committee Chair Max Baucus (D-MT) contained in the Taxpayer Certainty and Relief Act of 2009, introduced March 26, 2009, would freeze the Estate Tax Exemption at \$3.5 million (or \$7 million per couple) and the estate tax rate at forty-five percent for amounts over that exemption amount. Then, beginning in 2011 the exemption would be indexed to inflation in increments of \$10,000.

The proposed law would also increase the special use valuation for farmers and ranchers to \$3.5 million and provide a new "portability" for the marital deduction for the second spouse ("Spousal Unused Exemption.").

We will be watching these proposals closely and keep members apprised of ongoing developments.

UPMIFA Introductions in 2009

Alaska (SB 134), Hawaii (HB 618/SB 121) and Washington (HB 119) States have all introduced UPMIFA for enactment in 2009. Should those states enact the legislation, the entire region will have UPMIFA (Uniform Prudent Management of Institutional Funds Act) as the governing law. Among the several features of UPMIFA is the ability for an endowment to distribute income even when the corpus is below "historic" dollar value.

We will keep you posted on enactment.

ACGA (American Council on Gift Annuities) Lowers Recommended Rates

Responding to the continued economic downturn, the ACGA met and recommended lowering the suggested rates that many charities use in writing gift annuities with their donors. The rates took effect on February 1, 2009 and will be in force until June 30, 2009. The new rates now provide for a top rate of 9.5% for a single donor. To view the recommended rates, visit the [ACGA Web site](#).

President Obama's Proposal to lower deduction benefits for Charitable Gifts at Top Levels

President Obama's economic proposals include a recommendation that top income taxpayers (\$250,000 and over) have the tax benefit of their deductions capped at the 28% level even if their marginal tax bracket is 33% or 35%.

There has been much discussion and debate on this proposal, especially with the increased pressure on many charities to provide greater services with lower financial means. The AHP Web site contains resources to help you combat this legislation, including the AHP Position Statement and AHP Survey results indicating the proposed budget's potential impact on health care philanthropy.

Inspirational Philanthropy

By Pat Heller, major gifts officer, Cottage Health System

Going Once, Going Twice
By Sophie Anderson

The pungent scent of apple pie lured me to the oven. Wincing, I creaked open the metal door, heat waves blasting my face, and peered inside. There it laid, its apple ooze bubbling from a blackened crust, its face hardened into brick. Once again I was defeated. So when the phone rang later, I wasn't prepared.

"Will you bake a pie for our pie auction Saturday night?" asked one of my students in the school where I taught. "We're trying to raise money for our senior trip." I paused. Such a little request. But the words "bake" and "pie" launched me into a spinning culinary orbit.

"No!" my good sense screamed. "I'd love to, " I lied. I put down the receiver. What have I done? The reason I couldn't bake a normal pie was as cloudy as why I'd agreed to do it in the first place.

Try a box recipe, my logical mind suggested. No. Too tacky. Why not buy one? I tried again. But that's cheap. My students deserve more than a store bought pie.

Friday afternoon I found my smudged recipe. A delicious recipe when others used it, at my touch the ingredients conspired against me. But today this was more than pie; it was a fire-breathing challenge. Later however, pulling the pie out of the oven I groaned. Maybe I'll by one after all, I sighed, hopeless and out of time.

Saturday night came and the pie remained unmade. With no time to get to town, I found the ingredients again. With only minutes, I launched myself into a carnage-strewn battlefield of apple cores, flour and sticky dishes. When my pie was barely in the oven, the clock shrieked time for the performance before the auction. Setting a mental timer, I left the pie to its baking fate and rushed out the door. Luckily I lived close enough to hurry back and take it out of the oven. Maybe.

I watched the performance and my watch with equal fervor, then rushed out with a few minutes to spare. I eased the pie out, wanting to at least taste it, but there was no time. In the auditorium once more, I surrendered the pie to official hands and melted back into the audience. The bidding began. \$10, \$15, \$20. I swallowed. I didn't expect it would go this high. From a battalion of perfect pies, mostly store-bought, they described each one, praising its characteristics and details.

"Wow! Still steaming hot from the oven, folks, fresh apple pie—like grandma bakes" —the auctioneer's words jolted me from my pastry ponderings. He held an ordinary pie, laced with semi-perfect crust. To me, however, it was beautiful, crowned with appled glory, a princess of piedad, mine! \$30, \$40, \$50. Sold! It took me several minutes to recover.

The store-bought pies, I discovered though perfect and tasty, rarely sold for a high price like the homemade ones. I learned that gifts straight from the heart, like my pie from the oven, no matter how clumsy or novice, carry the highest bid.

As I slipped out into the crisp winter air, I knew my giving had heated more than my kitchen, baked more than my student's budget and melted more than someone's ice cream. Besides giving me hope for my future grandkids, it had warmed my life. Though I never had a bite, I still savor the taste of that pie.

Do you have an inspirational philanthropy story that illustrates the spirit of giving? Please send them to John Korb at korbja@ah.org