



January 2, 2020

The Honorable Mark Stone

Chairman, Assembly Judiciary Committee

State Capitol

Sacramento, CA 95814

Subject: AB 1712 (Wicks), as amended June 11, 2019 – Oppose

Dear Chairman Stone:

On behalf of our members in California, United Philanthropy Forum opposes the current version of **AB 1712 (Wicks)**. With this letter, we wanted to bring to your attention our concerns about the bill, which is scheduled for a hearing in the Assembly Judiciary Committee on Tuesday, January 14, 2020.

As the largest and most diverse network in American philanthropy, United Philanthropy Forum holds a unique position in the social sector to help increase philanthropy's impact in communities across the country. We are a membership organization of 80 regional and national philanthropy-serving organizations (including members in California), representing 7,000 foundations and other funders, who work to make philanthropy better. The Forum envisions a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper.

While it may be well intended, as it is currently written, AB 1712 would have a negative impact on the sector's ability to carry out our charitable missions in California by likely decreasing charitable giving to nonprofits, weakening philanthropic support for disaster relief, and threatening donor privacy.

AB 712 seeks to add more reporting requirements to donor-advised funds (DAFs). Currently, federal law already requires DAF sponsors to report fund information and contributions on their Form 990. Additionally, in California, DAF sponsors must disclose recipients of funds and submit a copy of their Form 990 returns to the state Attorney General. The additional requirements proposed in AB 712 would create undue administrative burdens on DAF sponsors, requiring many public charities to use their already limited resources to comply with these regulations, taking away from grantmaking activities focusing on California communities in need.

Moreover, the fund-by-fund disclosure required by AB 712 would reduce donor privacy by revealing donor identity and private donor information, eliminating the chance for donors to decide for themselves whether to keep their giving

private. Giving anonymously has been a longstanding practice in philanthropy for a myriad of reasons, which include donor safety and religious beliefs. The potential loss of privacy and anonymity caused by AB 712, will discourage likely donors from giving in California.

The Forum believes in responsible and accountable philanthropy, and DAF sponsors already must disclose recipients of DAF grants and must submit a copy of their Form 990 returns to the state Attorney General. As the committee looks to review AB 712, the Forum asks you take into account the unintended consequences of the bill and consider amending the language. Adding another layer of reporting requirements and eliminating donor privacy would have a considerable negative effect on philanthropy and giving in California, ultimately impacting those who rely on help and resources from nonprofits across the state.

If you have any questions, comments or concerns, please feel free to contact us.

Thank you for your consideration.

Regards,

A handwritten signature in black ink, appearing to read "David Biemesderfer". The signature is fluid and cursive, with a large initial "D" and "B".

David Biemesderfer

President and CEO

United Philanthropy Forum