



TESTIMONY IN OPPOSITION TO HOUSE BILL 3213

February 25 2025

TO: HOUSE COMMITTEE ON HIGHER EDUCATION AND WORKFORCE
DEVELOPMENT

FROM: PENNY SERRURIER, STOEL RIVES LLP

Thank you for the opportunity to provide testimony on HB 3213. I am a partner at the Stoel Rives law firm in Portland, and a member of the firm's nonprofit law group. We have deep expertise navigating the federal and state laws and regulations that affect nonprofit organizations. We provide counsel to hundreds of nonprofit organizations across the Pacific Northwest, including foundations affiliated with Oregon's public universities. It is from this vantage point that we submit this letter in opposition to HB 3213.

We believe that this legislation is unnecessary and expensive. It would require Oregon's affiliated foundations to spend tens of thousands of dollars each year on reporting and compliance—dollars that should instead be spent on supporting our public university students. The legislation is duplicative, expensive, and unnecessary for the following reasons:

- **Federal tax law and state nonprofit law already require transparency by public university foundations.** Oregon nonprofit organizations are required to make publicly available their annual federal tax returns and state charitable registration filings. These documents are available to the public and provide detailed information about revenue and expenses, compensation of highest paid employees and contractors, charitable activities, and more.
- **Donors and volunteers have come to expect that the nonprofit organizations they support will respect their privacy.** The exemption in HB 3213 regarding donor names is undermined by other provisions of the bill, including the requirement to disclose information regarding use, purpose, and restrictions on funds, as well as broad and ambiguous exceptions for disclosure of donor identity. Individuals have many nonprofit organizations to choose from when it comes to donating and volunteering their time, uniquely burdening public university foundations in

this way will have the effect of driving key donors and volunteers to other causes—to the detriment of our public universities.

- **HB 3213 would place public university foundations at a distinct disadvantage compared to other foundations that support public entities.** Foundations affiliated with public entities have long played an important role in raising private philanthropic support to make taxpayer dollars go further. In addition to public university foundations, there are foundations that support Oregon parks, libraries, zoos, K-12 schools and school districts, community colleges, and other public entities. For no apparent policy reason, this bill singles out *only* those foundations that support Oregon’s seven public universities, uniquely burdening them in comparison to other foundations that support public entities.
- **Compliance with HB 3213 would place a significant administrative burden on foundations, detracting from the vital work they do to raise private philanthropic support for the benefit of Oregon’s public universities.** The foundations that support our public universities are effective, efficient, and staffed with a focus on raising and managing funds to support students, faculty, and research. HB 3213 would create significant additional compliance expenses as most of the foundations currently have no in-house legal counsel or systems in place for responding to records requests or compiling reports on the timeline required by the bill. Oregon’s university foundations follow best practices in terms of transparent governance, conflict-of-interest disclosures and recusals, and board and staff ethics and codes of conduct. HB 3213 would do nothing to improve these practices—it only adds reporting and compliance expense.
- **HB 3213 offers virtually no disclosure protections for foundation investment portfolios.** Current Oregon public records laws have broad exemptions that apply to state investment entities such as the Oregon Investment Council, the Oregon Growth Board, the State Treasurer and respective agents. These exemptions protect due diligence materials, financial statements of investment funds, meeting materials, records regarding portfolio positions, capital calls and distribution notices, and investment agreements and related documents. None of these exemptions would be available to university foundations under HB 3213. Instead, there is only a vague protection for “communications regarding investment

strategy.” This compromises the ability for university foundations to effectively manage endowment portfolios.

- **The requirements of HB 3213 are at odds with the policy behind the recently passed Oregon Consumer Privacy Act—which exempts public universities but not their affiliated foundations.** The Oregon Consumer Privacy Act has caused university foundations to invest in expensive systematic changes to protect donor privacy. The potential disclosures required by HB 3213 and the information that the foundations would need to collect and retain in order to comply with HB 3213 are in direct opposition to the policy behind the Oregon Consumer Privacy Act, and would cause a significant increase in operational expenses for these foundations.