

Date: February 25th, 2025

To: House Committee on Higher Education and Workforce Development

From: Erica Thomas, PSUFA Local 3571

Re: Support for HB 3213: Public University Foundation Sunshine Act

HB 3213

Good morning, and thank you for taking testimony remotely. I would love to have been with you in person but I teach at 9am.

Chair Hudson, Vice Chair Fragala, Vice Chair Harbick, and members of the House Higher Education Committee,

My name is Erica Thomas and I've been part of the Portland State University campus since 2008, first as full time staff, then as a graduate student where I earned my Masters of Fine Art, and now as adjunct faculty at Portland State University and the Chair of Political Action for the PSU Faculty Association Local 3571, which represents around 1,200 part time faculty at PSU. We comprise around 40% of the faculty at Portland State. I am here today to speak in strong support of HB 3213.

For my testimony, I want to focus on a common misconception that you may hear today – that increased financial transparency will discourage donors from contributing to public university foundations. Both research and real-world examples show that this is simply not true.

In fact, clear and accessible financial reporting can actually *increase* donor confidence by providing assurance to donors that funds are being used appropriately. When organizations are more transparent, donors are more likely to contribute because they can see the impact of their contributions. Take an example from Michigan: A 1997 court case instantaneously opened up donor records to public requests and today, the case law still stands untouched. The University of Michigan and Michigan State University have the 3rd and 11th largest public university endowments in the country respectively. Philanthropy after a more far-reaching reform than HB 3213 was not curtailed, but instead flourished.

In a study titled "A Real Home Field Advantage: Access to Public University Foundation Records" by Scott [Reinardy and Charles Davis](#), the authors explained ... "Many foundations argue that public exposure of donors will drastically diminish their resources. Any potential chilling effect on donations is, however, unproven at best, and at worst an assumption used to justify needless secrecy. The mere assertion of possible endangerment does not clearly outweigh the public interest in access to these records, as courts typically require far more than unproven assertions to trump public interest in disclosure under public records laws. Indeed, the available evidence on public fund-raising contradicts the chilling effect argument.

Disclosure has not damaged the fund-raising efforts of the Eastern Michigan University Foundation, the University of Toledo Foundation or the University of Louisville Foundation. A

year after Jackson [ruling] in 1997, the EMU Foundation reported its assets increased more than \$5 million to \$25 million. The foundation has continued to increase its endowment each year since, surpassing the \$40 million mark [in 2005]", the year this study was published. This trend has continued every year since and the Eastern Michigan University foundation's total assets were sitting at \$124 million as of 2024. We will submit this study to the record for you all to reference.

Donors give to public university foundations primarily because they support the institution's mission, want to make an impact on students or research, or have personal ties to the university – not because they can remain anonymous. Public universities in states with strong transparency laws still attract major donations, demonstrating that open financial practices do not deter donations. If disclosure truly harmed philanthropy, we would expect to see a decline in these institutions' fundraising – but that hasn't happened.

Now to bring this home to Oregon, you may have heard that Portland State University is engaged in a multi-year slashing of programs, nearly 100 full and part time faculty layoffs, staff and support services cuts, due to what the administration and board claim is a result of declining enrollment. This "declining enrollment is down around 2-3%", likely as a residual effect of the pandemic, an amount that a properly funded university should be able to weather. Now would be a very good time to improve our prospects for fundraising to support these vital programs, classes and jobs that working class Oregonians need.

Thank you for your time, and I hope that I can count on your support of HB 3213 with the -1 Amendment.