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February 26, 2025

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

As president of the Portland State University Foundation, I'm writing today in strong opposition to HB3213, which will violate donor privacy protections, require disclosures that are already publicly available, and ultimately create no new incentives for donors and no new mechanisms for universities to address their structural budget challenges.

It is widely understood that gifts to universities via their non-profit foundations are overwhelmingly made by donors who wish to support specific areas of interest – such as scholarships, professorships, university programs and capital projects. Foundations are legally bound to distribute gifts in accordance with donor wishes. Contributions cannot be diverted toward other administrative needs, no matter how urgent or worthy those needs.

We must ask what is to be gained from the disclosures demanded by this bill? How is the public to be served by knowing that a donor might “restrict” their gift to a particular department or a program with which they have an affinity? Why do we need to demand disclosure of quid-pro-quo or self-dealing transactions that are already illegal? What is to be gained by demanding knowledge of which vendors were so inspired by a university's mission that they separately made a gift? And what is the point of requiring disclosure of required financial information and disbursement data that is largely freely available on public web sites? There is simply no reasonable argument to be made that public university foundations are hiding or hoarding assets from the universities they exist only to serve.

If little is to be gained from mandating these costly requirements, much could be lost. Foundations have a clear responsibility to ensure donor anonymity when requested—for legitimate reasons. The duty to do so was just enacted in law by the Oregon Legislature through the Oregon Consumer Privacy Act, which demands nonprofits go to extraordinary lengths to ensure individual privacy rights. HB3213's intent is exactly the opposite. The requirement to disclose a gift's donation date, amount, restrictions, and other information will reveal or suggest donor identity in the case of high-profile anonymous gifts. That reality will create a chilling effect resulting in fewer major gifts benefiting students and faculty.

I urge you to vote against this bill – and its ultimate diminishment of philanthropic returns to Oregon public universities and all those they serve and support.

Sarah Schwarz, President, PSU Foundation