

The Honorable Janelle Bynum
Chair, House Committee on Economic Development
and Small Business
Oregon State Legislature
Salem, Oregon. 97301

RE: HB 3532, Trust for Cultural Development Administrative Cap Change

Dear Chair Bynum and Committee Members:

We are writing today, in our volunteer capacity as the executive leadership of the Oregon Cultural Trust governing board, to urge your committee's support of HB 3532. This is a measure that is revenue neutral, but it will have a very positive effect on the cultural sector across the state.

The Trust is a really special idea, and it works. Through the tax credit, the Trust stimulates giving to cultural institutions at the local level while also providing essential project funding for nonprofits, large and small. It also provides networking, connection and expertise that benefit the whole sector, from the smallest railroad museum to the largest theatre company. From our vantage point, as both Trust board members and professionals within the nonprofit cultural sector, we have seen the Trust's responsibilities expand while the administrative budget has remained largely the same.

With promotion and advocacy, the Trust staff and board have achieved annual increases in Trust donations, which allows us to regrant more funds across the state.

This is wonderful news, of course. But please take a moment to think about the labor required to process 10,600 individual donations, or the software upgrade required to process 500 grant applications, or the time required to provide one-on-one technical assistance to someone who may have never filled out a grant application before – all they want to do is save a historic structure in their county. Consider the ever-growing need for accountability and transparency, which became even more acute when the Trust was asked to allocate emergency relief funds across the state during the pandemic.

It's a lot of administrative work, and the work grows in proportion to the amount of money raised and granted. In the philanthropic industry, where nonprofit foundations like the National Parks Foundation operate on a similar framework, it's standard practice to spend 12% to 15% of the annual giving capacity. HB 3532 is not asking for that amount. It's removing a hard administrative cap, adjusted by the consumer price index, and replacing it with a flexible percentage of funds raised, with a hard upper limit. The Trust board has supported this change since 2017.

With this bill, the Trust is asking for the ability to spend a little bit more of its own money, so that it can do a better job for the people and organizations it serves. HB 3532 is straightforward, uses a process that is in line with the industry standards, and it will have no effect on the amount of funds available for granting. The extra funds will be shaved off the amount devoted each year to the Trust itself, which after 20 years has yet to provide any substantial interest or endowment style income. We are working on that issue through a different bill, HB 2498.

But please don't confuse these two bills, and allow HB 3532 to fall through the cracks, again. You are a committee devoted to business, and you probably want the nonprofits and agencies devoted to culture to act like responsible businesses that pursue ways to deliver for their customers. No matter what happens with the other cultural funding proposals in this legislative session, HB 3532 will allow the Trust to be a more efficient manager of private donations and public funds. We urge your support.

Thank you,



Niki Price, Lincoln City, Trust Board Chair
With support from George Kramer, Ashland, Trust Board Vice-Chair
and Gayle Yamasaki, Klamath Falls, Trust Board Treasurer