

OREGON CHARITABLE CHECKOFF COMMISSION

VOTING MEMBERS:

HERMAN MACDONALD, CHAIR
JAMES BERNAU, MEMBER
COLLEEN CAIN, MEMBER
TIM MARKWELL, MEMBER
BARBARA SMITH WARNER, MEMBER

NON-VOTING MEMBERS:

SAL ESQUIVEL, REPRESENTATIVE, MEMBER
Vacant, SENATOR, MEMBER
JOHN PAUL (JP) JONES, ADVISOR

DATE: July 13, 2007
TO: Oregon Charitable Checkoff – Interested Parties
FROM: John Paul Jones, Advisor
Oregon Charitable Checkoff Commission
SUBJECT: **Notice of Public Meeting**

This is notice under ORS 192.640 that the Oregon Charitable Checkoff Commission will hold a regular meeting at 9:00 am, Monday, July 2, in **Board Room First Floor, State Lands Building, 635 Capitol St NE, Salem, OR.**

At this meeting the commission intends to review and discuss the Financial Statements of those organizations due to report in 2007 that currently receive checkoff contributions. They will also consider applications for some entities to continue in the program. Also for consideration is an application to join the program from the Oregon Historical Society. Time permitting; interested parties may have a chance to address the commission.

You received this mailing because you are on our “interested parties” list. If you no longer wish to receive these mailings please contact Tassi Stephens via e-mail at Tassi.l.stephens@state.or.us by telephone at the telephone number below, or mail to the commission in care of the Department of Revenue, Attn: John Paul Jones, 955 Center Street NE, Salem, OR 97301-2555.

cc: Charitable Checkoff Commission Members
cc: Charitable Checkoff Organizations

QUESTIONS? Call Tassi Stephens at 503-945-8399.

Oregon Charitable Checkoff Commission Donation Form for Professional Tax Practitioners Tax Year 2007

If you would like to donate all or part of your Oregon tax refund to one or more of the Charitable Checkoff Recipients please complete this form and provide it to your professional tax preparer.

If you use tax preparation software you do not need this form.

Oregon Nongame Wildlife *56	\$ _____	.00	Child Abuse Prevention *57	\$ _____	.00	
Alzheimer's Disease Res. *58	\$ _____	.00	Stop Dom. & Sexual Viol *59	\$ _____	.00	
AIDS/HIV Education & Svc *60	\$ _____	.00	OR Military Financial Asst. *61	\$ _____	.00	
Habitat for Humanity *62	\$ _____	.00	Oregon Head Start Assoc. *63	\$ _____	.00	
American Diabetes Assoc. *64	\$ _____	.00	Oregon Coast Aquarium *65	\$ _____	.00	
SMART *66	\$ _____	.00	SOLV *67	\$ _____	.00	
Identify Charity *68a _____	\$ _____	.00	Identify Charity *68a _____	\$ _____	.00	*70 \$ _____

To use the Identify Charity boxes please refer to the list below:

- St. Vincent DePaul Society of Oregon (code 1)
- The Nature Conservancy (code 2)
- Doernbecher Children's Hospital Foundation (code 3)
- The Oregon Humane Society (code 4)
- The Salvation Army – Oregon (code 5)
- The Oregon Veterans' Home (code 6)
- Planned Parenthood of Oregon (code 7)
- Oregon Lions Sight & Hearing Foundation (code 8)
- Shriners Hospitals for Children – Portland (code 9)
- Special Olympics Oregon (code 10)
- Susan G. Komen for the Cure (code 11)
- Oregon Historical Society (code 12)

Please do **not** send this form to Department of Revenue.

B-Engrossed
Senate Bill 859

Ordered by the House June 12
Including Senate Amendments dated April 26 and House Amendments
dated June 12

Sponsored by Senator DECKERT; Senator DEVLIN (at the request of Oregon Head Start Association)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Expands number of entities that must be listed on Oregon income tax return forms for charitable donations by refund checkoff. Requires entities to rotate between form, eligibility roster and instruction listing when number of eligible entities exceeds space limitations of return forms. Modifies eligibility requirements.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to charitable checkoffs; creating new provisions; amending ORS 305.690, 305.710, 305.715,
3 305.720, 305.727, 305.730, 305.740, 305.745, 305.747, 305.749, 305.753, 316.490, 316.491, 316.493,
4 431.855, 496.380 and 496.385; repealing ORS 305.749; and declaring an emergency.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 305.690 is amended to read:

7 305.690. As used in ORS 305.690 to 305.753, unless the context otherwise requires:

8 (1) "Biennial years" means the two income tax years of individual taxpayers that begin in the
9 two calendar years immediately following the calendar year in which a list is certified under ORS
10 305.715.

11 (2) "Commission" means the Oregon Charitable Checkoff Commission.

12 (3) "Department" means the Department of Revenue.

13 (4) "**Eligibility roster**" means a list, prepared under ORS 305.715 and maintained by the
14 commission in chronological order based on the date of form listing or date of eligibility de-
15 termination, whichever is later, of charitable and governmental entities seeking inclusion on
16 the Oregon individual income tax return forms.

17 (5) "**Form listed**" or "**form listing**" means being listed on the Oregon individual income
18 tax return form.

19 (6) "**Instruction listing**" means being listed on the Department of Revenue instructions
20 for tax return checkoff contribution.

21 [(4)] (7) "Internal Revenue Code" means the federal Internal Revenue Code as amended and in
22 effect on December 31, 2004.

23 **SECTION 2.** ORS 305.710 is amended to read:

24 305.710. (1) The Department of Revenue shall notify the Oregon Charitable Checkoff Commission
25 of the number of lines available for the material described in ORS 305.745 (2) without adding a page
26 to the various individual tax forms for full-year residents, nonresidents and part-year residents. **The**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **department shall provide lines on the form to permit legible form listing of at least 12 enti-**
2 **ties, if possible, but may provide fewer lines if there is insufficient space on the form.** The
3 commission shall limit the number of entities to be listed on the form to conform to the department's
4 notice unless it determines that the number of eligible entities justifies adding a page to the form.

5 (2) Any new entity added to the list must, in the judgment of the commission, have a high
6 probability of meeting the requirement in ORS 305.720 (5).

7 **SECTION 3.** ORS 305.715 is amended to read:

8 305.715. (1)(a) The Oregon Charitable Checkoff Commission shall[:]

9 [(1)] determine if a charitable or governmental entity is qualified under ORS 305.720, for the
10 biennial years, for listing on the Oregon individual income tax return to receive contributions by
11 means of checkoff, as described under and subject to ORS 305.710 and 305.745.

12 **(b) Upon determination, pursuant to an initial application, that an entity qualifies for**
13 **inclusion on the Oregon individual income tax return forms to receive contributions by**
14 **means of checkoff, the commission, subject to section 4 of this 2007 Act, shall cause the**
15 **name of the entity to be included on the eligibility roster prepared under this section.**

16 **(c) If the commission determines that the entity is not qualified to be included on the**
17 **eligibility roster, the commission shall give notice in the manner provided in ORS 183.415,**
18 **and ORS 305.740 (3) shall apply.**

19 (2) **The commission shall certify** [*in 1990, and certify*] in each even-numbered calendar year
20 [*thereafter,*] to the Department of Revenue a list of **at least 12** charitable and governmental entities
21 to be listed, **if possible,** on the Oregon individual income tax return to receive contributions by
22 means of checkoff for the biennial years indicated in the certification, as described [*under*] **in** and
23 subject to ORS 305.710 and 305.745.

24 **SECTION 4. (1) In the event that one or more entities are certified and placed on the**
25 **eligibility roster under ORS 305.715 but not all entities can be included on the Oregon indi-**
26 **vidual income tax return forms because of space limitations, the Oregon Charitable Checkoff**
27 **Commission shall, prior to determining the entities to be listed on the eligibility roster for**
28 **the ensuing year, identify those entities that have been included on the tax forms for two**
29 **or more years.**

30 **(2) To the extent there are entities on the eligibility roster that have not been form**
31 **listed, the commission shall direct the Department of Revenue to remove from the tax forms**
32 **for the next year those entities that have been included on the tax forms for two or more**
33 **years.**

34 **(3)(a) The identified entities shall be removed from inclusion on the tax forms based on**
35 **the number of calendar years for which the entities have been included on the forms, with**
36 **entities that have been included on the forms for the greatest number of years being re-**
37 **moved first.**

38 **(b) If identified entities have been included on the tax forms for an equal number of years**
39 **and space limitations require the removal of some, but not all, of the entities identified in**
40 **subsection (1) of this section, in order to permit inclusion of entities from the eligibility**
41 **roster on the tax forms for the next year, the commission shall direct the department to**
42 **remove the entity or entities garnering the smallest average amount of donations for the**
43 **years that the entity or entities appeared on the tax forms.**

44 **(4) If an entity removed from form listing under subsection (3) of this section continues**
45 **to meet the eligibility requirements under ORS 305.720, an entity removed from the charita-**

1 **ble checkoff portion of the tax forms shall be placed at the end of the eligibility roster for**
2 **form listing in succeeding tax years and shall be considered to be an entity that has not been**
3 **form listed for purposes of subsection (2) of this section.**

4 **SECTION 5.** ORS 305.720 is amended to read:

5 305.720. Subject to ORS 305.710 and 305.745 **and section 4 of this 2007 Act**, an entity qualifies
6 for listing on the **eligibility roster for form listing** [*Oregon individual income tax return*] to receive
7 contributions by means of checkoff if:

8 (1) The entity supports private charitable causes or engages in public activities that are con-
9 sistent with policies and programs of the state and:

10 (a) Checkoff resources are used to augment existing programs or provide new funding to related
11 activities of proven value. Checkoff funds are not to be used to meet the administrative expenses
12 of the entity;

13 (b) Programs funded by checkoff resources must result in substantial and direct benefits to the
14 human and natural resources of the state that the Oregon Charitable Checkoff Commission deter-
15 mines are unlikely to occur under existing public and private programs; and

16 (c) After checkoff resources are received by the entity, the entity shows a pattern over several
17 years of increasing its total revenues from other than checkoff sources or reaches the level where
18 no more than 50 percent of its revenues are from checkoff sources.

19 (2) The entity is qualified to receive contributions that are tax deductible under the following:

20 (a) Section 170 of the Internal Revenue Code (relating to contributions and gifts to charitable
21 and governmental entities).

22 (b) Section 501(k) of the Internal Revenue Code (relating to contributions to certain organiza-
23 tions providing child care).

24 (c) Section 7871 of the Internal Revenue Code (relating to contributions to Indian tribal gov-
25 ernments).

26 (d) Any other federal law allowing a deduction from federal individual income tax for charitable
27 contributions to an entity classified by rule of the Department of Revenue as being an entity be-
28 longing to the general class described in paragraphs (a) to (c) of this subsection.

29 (3) The entity makes application for listing within the time and in the manner prescribed by ORS
30 305.725.

31 (4) The entity files a financial report, and other information, with the commission as described
32 under ORS 305.730.

33 (5) The entity received [*\$50,000*] **\$25,000** or more in checkoff contributions in at least one of the
34 two tax years immediately preceding the tax year for which it is to be listed on the Oregon income
35 tax return. This subsection does not apply if the entity has not been included on the Oregon per-
36 sonal income tax return for each of the two tax years immediately preceding the tax year for which
37 determination for purposes of this subsection is being made.

38 **SECTION 6.** ORS 305.727 is amended to read:

39 305.727. (1) In addition to the opportunity to [*apply to the Oregon Charitable Checkoff Commis-*
40 *sion for listing*] **be listed** on the Oregon individual tax return forms under ORS 305.725, an entity
41 **on the eligibility roster** may apply to the commission for listing in the Department of Revenue in-
42 structions [*and eligibility*] for tax return checkoff contribution as provided in this section.

43 (2) In order to qualify for instruction listing, the entity must apply to the commission in the
44 manner in which an entity applies for listing on the individual tax forms under ORS 305.725.

45 (3) In order to qualify for instruction listing, the entity must meet the qualifications described

1 in ORS 305.720, collect 10,000 or more signatures from electors of this state attesting that the
2 electors support the entity qualifying for instruction listing and be:

3 (a) The Oregon Veterans' Home, **the Alzheimer's Disease Research Fund, the Oregon Mili-**
4 **tary Emergency Financial Assistance Fund or the subaccount described in ORS 316.493 for**
5 **contributions dedicated to the prevention of child abuse and neglect;**

6 (b) A nonprofit organization described in section 501(c)(3) of the Internal Revenue Code with a
7 gross income of at least \$1 million for the year prior to application; or

8 (c) The central office for a group of affiliated nonprofit organizations with a collective gross
9 income of at least \$1 million in the year prior to the year of application.

10 (4) The commission shall review applications and approve those that meet the qualifications of
11 ORS 305.720 and this section. An entity that is approved by the commission shall thereafter qualify
12 for instruction listing for six years and thereafter must reapply under this section for continued
13 listing in additional six-year periods, **except that an entity that reapplies does not need to col-**
14 **lect 10,000 or more signatures.**

15 (5) The commission shall certify those entities that **are on the eligibility roster and that** the
16 commission has approved in the interim since the last preceding certification to the Department of
17 Revenue for listing in the instructions to the forms described in ORS 305.710.

18 (6) The department shall include in the instructions to the forms described in ORS 305.710 a list
19 of entities that have been certified by the commission under this section as of the date the in-
20 structions for the forms must be prepared.

21 (7) The department shall cause [*a line*] **two lines** to be included on the Oregon individual tax
22 return forms following the listing of the entities described in ORS 305.715 (2). [*The line*] **These lines**
23 may be used by a taxpayer to designate [*an entity that has*] **one or two entities that have** qualified
24 for instruction listing under this section as the recipient of a checkoff contribution by the taxpayer.
25 [*The space for designation shall also provide for checkoff boxes in the amount of \$1, \$5, \$10 or other*
26 *dollar amounts.*]

27 (8) Amounts contributed by charitable checkoff to an instruction-listed entity shall be subject
28 to and distributed as provided in ORS 305.747.

29 **SECTION 7.** ORS 305.727, as amended by section 6 of this 2007 Act, is amended to read:

30 305.727. (1) In addition to the opportunity to be listed on the Oregon individual tax return forms
31 under ORS 305.725, an entity on the eligibility roster may apply to the commission for listing in the
32 Department of Revenue instructions for tax return checkoff contribution as provided in this section.

33 (2) In order to qualify for instruction listing, the entity must apply to the commission in the
34 manner in which an entity applies for listing on the individual tax forms under ORS 305.725.

35 (3) In order to qualify for instruction listing, the entity must meet the qualifications described
36 in ORS 305.720, collect 10,000 or more signatures from electors of this state attesting that the
37 electors support the entity qualifying for instruction listing and be:

38 (a) The Oregon Veterans' Home, **the Nongame Wildlife Fund,** the Alzheimer's Disease Re-
39 search Fund, the Oregon Military Emergency Financial Assistance Fund or the subaccount de-
40 scribed in ORS 316.493 for contributions dedicated to the prevention of child abuse and neglect;

41 (b) A nonprofit organization described in section 501(c)(3) of the Internal Revenue Code with a
42 gross income of at least \$1 million for the year prior to application; or

43 (c) The central office for a group of affiliated nonprofit organizations with a collective gross
44 income of at least \$1 million in the year prior to the year of application.

45 (4) The commission shall review applications and approve those that meet the qualifications of

1 ORS 305.720 and this section. An entity that is approved by the commission shall thereafter qualify
2 for instruction listing for six years and thereafter must reapply under this section for continued
3 listing in additional six-year periods, except that an entity that reapplies does not need to collect
4 10,000 or more signatures.

5 (5) The commission shall certify those entities that are on the eligibility roster and that the
6 commission has approved in the interim since the last preceding certification to the Department of
7 Revenue for listing in the instructions to the forms described in ORS 305.710.

8 (6) The department shall include in the instructions to the forms described in ORS 305.710 a list
9 of entities that have been certified by the commission under this section as of the date the in-
10 structions for the forms must be prepared.

11 (7) The department shall cause two lines to be included on the Oregon individual tax return
12 forms following the listing of the entities described in ORS 305.715 (2). These lines may be used by
13 a taxpayer to designate one or two entities that have qualified for instruction listing under this
14 section as the recipient of a checkoff contribution by the taxpayer.

15 (8) Amounts contributed by charitable checkoff to an instruction-listed entity shall be subject
16 to and distributed as provided in ORS 305.747.

17 **SECTION 8. Notwithstanding ORS 305.727, an entity that qualified for instruction listing**
18 **before the tax year beginning on January 1, 2007, is not required to collect signatures in or-**
19 **der to qualify for instruction listing for any tax year beginning on or after January 1, 2007.**

20 **SECTION 9.** ORS 305.730 is amended to read:

21 305.730. (1) Each entity desiring to be listed on the Oregon individual income tax return in order
22 to receive contributions by means of checkoff for the biennial years shall file a financial report with
23 the Oregon Charitable Checkoff Commission no later than July 1 [*of 1990, or July 1*] of each even-
24 numbered year [*thereafter*].

25 (2) The financial report shall contain, in detail:

26 (a) The amount of funds received from contributions made by means of checkoff.

27 (b) The disposition of the funds received from contributions made by means of checkoff.

28 (3) If required by the commission by rule, the entity shall also file with the commission its
29 budget, financial statements or other documents or information needed by the commission to deter-
30 mine the use of funds received through checkoff.

31 (4) All information required by this section shall be as of the close of each fiscal year of the two
32 fiscal years of the entity that ended during the 12-month period ending prior to July 1 of the even-
33 numbered calendar year.

34 **SECTION 10.** ORS 305.740 is amended to read:

35 305.740. (1) Prior to the end of [*1990 and prior to the end of*] each even-numbered calendar year
36 [*thereafter*], and subject to subsection (2) of this section, the Oregon Charitable Checkoff Commission
37 shall examine the list of entities included on the Oregon personal income tax return for the tax year
38 beginning in the calendar year immediately preceding and shall determine if each entity listed is
39 qualified under ORS 305.710 and 305.720 to be listed on the return to receive contributions by means
40 of checkoff for the ensuing biennial years.

41 (2)(a) The Department of Revenue shall determine for each tax year if each entity listed for
42 checkoff on the return for the preceding tax year meets the criteria under ORS 305.720 (5) and shall
43 notify the commission, if and when appropriate. In determining the amount received in contributions
44 from checkoffs for an entity for a particular tax year:

45 (A) For purposes of meeting the [*\$50,000*] **\$25,000** minimum contribution, the amount received in

1 contributions from checkoffs in the amount shown in the department's financial statement for the
2 fiscal year shall be counted.

3 (B) The amount of receipts shall not be reduced by the amount of administrative expense re-
4 ferred to in ORS 305.747.

5 (b) The determination of the department made under paragraph (a) of this subsection is final and
6 may not be appealed. Notwithstanding subsection (1) of this section, an entity that has not met the
7 criteria of ORS 305.720 (5) shall not be listed on the return for checkoff.

8 (3)(a) If the commission, for any reason other than that contributions by means of checkoff did
9 not reach the amount required under ORS 305.720 (5), determines that an entity included on the list
10 certified under ORS 305.715 (2) for the prior biennial years is not qualified to be included, or that
11 an entity making application is not qualified to be included, or is not included because of determi-
12 nations under ORS 305.710, on the list for the ensuing biennial years, the commission shall so order.

13 (b) The commission shall serve upon the entity, either by personal service or by certified mail,
14 return receipt requested, the order issued under paragraph (a) of this subsection. The order shall
15 comply with the applicable notice requirements of ORS 183.415.

16 (c) The entity or person or persons to whom the order is directed shall have 20 days from the
17 date of personal service or mailing of the notice in which to make written application to the com-
18 mission for a contested case hearing to be held in accordance with ORS 183.415 to 183.500 before
19 the commission or the designee of the commission. In any hearing before the designee of the com-
20 mission, the designee is authorized to issue the final order in the matter.

21 (d) Upon failure to request a contested case hearing within the time specified, the order shall
22 become final.

23 (e) Appeal may be taken from a final order as specified under ORS 183.480 to 183.497.

24 (f) A final order issued by the commission, the designee of the commission, the Court of Appeals
25 or the Oregon Supreme Court determining that an entity be included on the list certified under ORS
26 305.715 (2) may require only that the entity be included on the list next certified after the effective
27 date of the final order.

28 **SECTION 11.** ORS 305.745 is amended to read:

29 305.745. (1) Upon receipt of the list certified by the Oregon Charitable Checkoff Commission
30 under ORS 305.715 (2), the Department of Revenue shall cause the name of each entity so listed to
31 be included on the Oregon individual income tax return forms prepared for the biennial years as
32 certified.

33 (2) Individual taxpayers who file an Oregon income tax return and who will receive a tax refund
34 from the department may designate that a contribution be made to one or more entities listed.
35 Designation shall be made [*by marking the appropriate box which*] **in a space that** the department
36 shall cause to be printed on the return form. [*For each entity, the space for designating the contri-
37 bution shall provide for checkoff boxes in the amount of \$1, \$5, \$10 or other dollar amount.*]

38 (3) Overpayments of tax that are insufficient, due to ORS 293.250 or otherwise, to satisfy the
39 total amount of checkoffs designated on a tax return under subsection (2) of this section and under
40 statute other than ORS 305.690 to 305.753 shall be allocated among the entities designated on a pro
41 rata basis.

42 **SECTION 12.** ORS 305.747 is amended to read:

43 305.747. (1) Amounts equal to the amounts checked off under ORS 305.745 shall be remitted by
44 the Department of Revenue to the State Treasurer who shall deposit the amounts in a suspense ac-
45 count established under ORS 293.445.

1 (2)(a) Of the amounts remitted and deposited under subsection (1) of this section [*or remitted and*
 2 *deposited under ORS 305.749 (1)*], a portion is continuously appropriated for use in reimbursing the
 3 General Fund for costs paid or incurred by the Oregon Charitable Checkoff Commission in admin-
 4 istering the checkoff programs established under ORS 305.690 to 305.753. No more than one percent
 5 of the moneys generated by the checkoff programs per fiscal year ending June 30, 1990, or per any
 6 fiscal year thereafter, is appropriated under this paragraph.

7 (b) Of the amounts remitted and deposited under subsection (1) of this section, a portion is
 8 continuously appropriated for use in reimbursing the General Fund for costs paid or incurred by the
 9 department in administering the checkoff program established under ORS 305.690 to 305.753. The
 10 department shall adopt by rule a formula or other method of determining the cost of administering
 11 each checkoff program. Each program shall be charged the cost of administration not to exceed 10
 12 percent of the amount received in checkoff contributions.

13 (c) Moneys appropriated under this subsection shall be transferred to the General Fund on a
 14 quarterly basis.

15 (3) The records of the department shall reflect the amount that the department has credited to
 16 each entity less administrative expenses. Subject to ORS 305.745 (3), the amount credited to each
 17 entity shall be equal to the amount checked off for that entity under ORS 305.745 less administrative
 18 expenses. The net amount of moneys credited to an entity shall be transferred by the department
 19 to the entity, as specified by law, on a periodic basis, or is continuously appropriated to the de-
 20 partment for payment to the entity and the department shall pay and remit the net amount credited
 21 to the entity, without interest, to the entity on a periodic basis. The department shall adopt rules
 22 governing the transferring or remitting of checkoff moneys to the entities for which the amounts
 23 were checked off. The rules shall specify the time, no less often than quarterly, that the moneys are
 24 to be transferred or remitted to the entities by the department.

25 **SECTION 13.** ORS 305.749 is amended to read:

26 305.749. [*Except as provided in ORS 305.690 to 305.753 and as otherwise specifically provided,*]
 27 The following are applicable to the [*various*] **Nongame Wildlife Fund** checkoff [*programs*] **program**
 28 established under ORS [*316.491 and 496.380 and ORS chapter 316*] **496.380 to 496.390**:

29 (1) Subject to subsection (4) of this section, the dollar amounts of contributions made by tax-
 30 payer checkoff on Oregon tax returns shall be remitted by the Department of Revenue to the State
 31 Treasurer, who shall deposit them to a suspense account established under ORS 293.445.

32 (2) Of the contributions so deposited, a portion is continuously appropriated for use to reimburse
 33 the General Fund for costs incurred in administering the [*various checkoff programs*] **checkoff**
 34 **program**. No more than 10 percent of the moneys generated by [*each*] **the** checkoff program per
 35 fiscal year ending June 30 may be appropriated under this subsection.

36 (3) The remainder of the contributions shall be credited by the department to [*each*] **the** checkoff
 37 program [*in proportion to the total amounts checked off for the tax year, the proportions to be deter-*
 38 *mined on the basis of tax returns processed as of the June 30 following the tax year*]. The amounts so
 39 credited to [*each of the checkoff programs*] **the checkoff program** are continuously appropriated to
 40 the department for payment to the checkoff designee, or shall be transferred by the department to
 41 the checkoff designee, as specified under the law governing the [*particular*] checkoff program. The
 42 department may adopt rules governing the crediting and payment or transfer of checkoff moneys. In
 43 addition to any other provision, if adopted, the rules shall specify the time that the contributions
 44 to [*a*] **the** program so credited are to be paid or transferred by the department.

45 (4)[*a*] Space for designating the dollar amount of a contribution made to [*each*] **the** checkoff

1 program shall be printed on the Oregon tax return. [*The space shall provide for checkoff boxes for*
2 *the program in the amounts of \$1, \$5, \$10 or other dollar amount.*]

3 [(b) *Overpayments of tax that are insufficient, due to ORS 293.250 or otherwise, to satisfy the total*
4 *amount of checkoffs designated on a tax return shall be allocated among the designees on a pro rata*
5 *basis as provided under ORS 305.745 (3).*]

6 [(5)(a) *If, as of June 30 of the calendar year immediately following the calendar year in which a*
7 *particular tax year begins, the department determines that the total amount checked off for that tax year*
8 *for a checkoff program is \$50,000 or less, the department shall notify a person administering the pro-*
9 *gram or other appropriate person.*]

10 [(b) *If, as determined by the department under paragraph (a) of this subsection, the total amount*
11 *checked off for a particular checkoff program is \$50,000 or less for each year in a period of two con-*
12 *secutive tax years, a checkoff line and appropriate box for that program shall not be provided on the*
13 *Oregon individual tax return for the tax year immediately following the later year of the two-year pe-*
14 *riod nor for any tax year thereafter, except as otherwise provided by law.*]

15 [(c) *As used in this subsection, "total amount checked off" means the total amount checked off by*
16 *taxpayers as reflected by tax returns for the tax year processed as of June 30 before any deduction for*
17 *administrative costs as required under subsection (2) of this section has occurred but after any pro-*
18 *ration under subsection (4) of this section.*]

19 **SECTION 14.** ORS 305.753 is amended to read:

20 305.753. (1) The State Treasurer may solicit and accept from private and public sources and
21 cause to be credited and paid to any entity gifts, grants and other donations, in money or otherwise,
22 if the entity is currently listed or entitled to be listed on the Oregon tax return for checkoff.

23 (2) In accordance with ORS chapter 183, the Department of Revenue may adopt rules to carry
24 out the purposes of ORS 305.690 to 305.753.

25 (3) Except as provided in ORS 305.749, ORS 305.690 to 305.753 do not apply to the Nongame
26 Wildlife Fund established under ORS 496.385, [*the Alzheimer's Disease Research Fund established*
27 *under section 3, chapter 902, Oregon Laws 1987, the subaccount created pursuant to section 36 (2),*
28 *chapter 1084, Oregon Laws 1999, or its successor, the Oregon Military Emergency Financial Assistance*
29 *Fund established under ORS 396.364 or other checkoff program established by statute other than ORS*
30 *305.690 to 305.753.*]

31 **SECTION 15.** ORS 305.753, as amended by section 14 of this 2007 Act, is amended to read:

32 305.753. (1) The State Treasurer may solicit and accept from private and public sources and
33 cause to be credited and paid to any entity gifts, grants and other donations, in money or otherwise,
34 if the entity is currently listed or entitled to be listed on the Oregon tax return for checkoff.

35 (2) In accordance with ORS chapter 183, the Department of Revenue may adopt rules to carry
36 out the purposes of ORS 305.690 to 305.753.

37 [(3) *Except as provided in ORS 305.749, ORS 305.690 to 305.753 do not apply to the Nongame*
38 *Wildlife Fund established under ORS 496.385.*]

39 **SECTION 16.** ORS 316.490 is amended to read:

40 316.490. (1) Individual taxpayers who file an Oregon income tax return for purposes of this
41 chapter and who will receive a tax refund from the Department of Revenue may designate that a
42 contribution be made to the Alzheimer's Disease Research Fund [*by marking the appropriate box*
43 *printed on the return pursuant to subsection (2) of this section*] **as provided in ORS 305.690 to**
44 **305.753.**

45 [(2) *The Department of Revenue shall print on the face of the Oregon income tax form a space for*

1 *taxpayers to designate that a contribution be made to the Alzheimer's Disease Research Fund from*
2 *their income tax refund. The space for designating the contribution shall provide for checkoff boxes as*
3 *indicated under ORS 305.749.]*

4 [(3)] (2) A designation under subsection (1) of this section shall be made with respect to any
5 taxable year on the returns for that taxable year, and once made shall be irrevocable.

6 **SECTION 17.** ORS 316.491 is amended to read:

7 316.491. (1) Personal income taxpayers who file an Oregon income tax return and who will re-
8 ceive a tax refund from the Department of Revenue may designate that a contribution of all or a
9 portion of the refund be made to the Oregon Military Emergency Financial Assistance Program by
10 marking the appropriate box printed on the return [*pursuant to subsection (2) of this section*] **as**
11 **provided in ORS 305.690 to 305.753.**

12 [(2)(a) *Subject to paragraph (b) of this subsection, the Department of Revenue shall print on the*
13 *face of the Oregon personal income tax return form a space for a taxpayer to designate that a contri-*
14 *bution be made to the Oregon Military Emergency Financial Assistance Program from the taxpayer's*
15 *income tax refund. The space for designating the contribution shall provide for checkoff boxes as in-*
16 *dicated under ORS 305.749.]*

17 [(b) *If space limitations make listing the Oregon Military Emergency Financial Assistance Program*
18 *on the return form impracticable without the removal of a checkoff program listing described in ORS*
19 *316.490, 316.493 or 496.380, the Oregon Military Emergency Financial Assistance Program may be*
20 *given an instruction listing as described in ORS 305.727. ORS 305.727 (3) does not apply to the Oregon*
21 *Military Emergency Financial Assistance Program.]*

22 [(3)] (2) Moneys contributed to the Oregon Military Emergency Financial Assistance Program
23 through the checkoff program described in subsection (1) of this section shall be deposited in the
24 Oregon Military Emergency Financial Assistance Fund.

25 **SECTION 18.** ORS 316.493 is amended to read:

26 316.493. (1) Recognizing that children are Oregon's most valuable resource and that child abuse
27 and neglect is a threat to the physical, mental and emotional health of children; and further recog-
28 nizing that the incidence of validated cases of reported child abuse and neglect has been increasing
29 at an alarming rate in Oregon and represents an enormous threat to the welfare of our community,
30 the Legislative Assembly hereby provides an additional opportunity to taxpayers to assist in child
31 abuse and neglect prevention by means of an income tax checkoff.

32 (2) Any individual taxpayer who files an Oregon income tax return and who will receive a tax
33 refund from the Department of Revenue may designate that a contribution be made to the holder
34 of the subaccount established pursuant to section 36 (2), chapter 1084, Oregon Laws 1999, or a
35 successor subaccount, account or fund by marking the appropriate box printed on the return [*pur-*
36 *suant to subsection (3) of this section*] **as provided in ORS 305.690 to 305.753.**

37 [(3) *The department shall print on the face of the Oregon income tax form a space for taxpayers*
38 *to designate that a contribution be made for the prevention of child abuse and neglect from their income*
39 *tax refund. The space for designating the contribution shall provide for checkoff boxes as indicated*
40 *under ORS 305.749.]*

41 [(4)] (3) The Department of Revenue shall transfer to the subaccount established pursuant to
42 section 36 (2), chapter 1084, Oregon Laws 1999, or a successor subaccount, account or fund an
43 amount as credited to the subaccount or its successor [*under ORS 305.749*].

44 **SECTION 19.** ORS 431.855 is amended to read:

45 431.855. (1) There is established as a separate and distinct fund in the State Treasury an

1 Alzheimer's Disease Research Fund. The Alzheimer's Disease Research Fund shall consist of:

2 (a) An amount credited to the fund [*under ORS 305.749*] **pursuant to ORS 305.690 to 305.753**,
3 which shall be transferred by the Department of Revenue to the fund.

4 (b) Gifts, grants and donations, in money or otherwise, for use as described in subsection (2) of
5 this section, which the State Treasurer may solicit and accept from private and public sources and
6 shall cause to be deposited and credited to the Alzheimer's Disease Research Fund.

7 (c) Interest or other earnings on the amounts described in paragraphs (a) and (b) of this sub-
8 section which shall inure to the benefit of the Alzheimer's Disease Research Fund.

9 (2) Moneys contained in the Alzheimer's Disease Research Fund are continuously appropriated
10 for the purpose of grants to the Alzheimer's Disease Center of Oregon, a cooperative venture be-
11 tween Oregon Health and Science University, Good Samaritan Hospital and Medical Center, the
12 United States Department of Veterans Affairs and the Alzheimer's Disease and Related Disorders
13 Association to carry out research on Alzheimer's disease and related disorders.

14 **SECTION 20.** ORS 496.380 is amended to read:

15 496.380. [(1)] Individual taxpayers who file an Oregon income tax return and who will receive
16 a tax refund from the Department of Revenue may designate that a contribution be made to the
17 Nongame Wildlife Fund by marking the appropriate box printed on the return [*pursuant to subsection*
18 *(2) of this section*] **as provided in ORS 305.690 to 305.753.**

19 [(2) *The Department of Revenue shall print on the face of the Oregon income tax form for residents*
20 *a space for taxpayers to designate that a contribution be made to the Nongame Wildlife Fund from*
21 *their income tax refund. The space for designating the contribution shall provide for checkoff boxes as*
22 *indicated under ORS 305.749.*]

23 **SECTION 21.** ORS 496.385 is amended to read:

24 496.385. (1) There is established as a separate and distinct fund in the State Treasury a Non-
25 game Wildlife Fund. The Nongame Wildlife Fund shall consist of:

26 (a) An amount credited to the fund under ORS [*305.749*] **305.690 to 305.753**, which shall be
27 transferred by the Department of Revenue to the fund.

28 (b) Gifts, grants and donations, in money or otherwise, for use as described in subsection (2) of
29 this section, which the State Treasurer may solicit and accept from private and public sources and
30 shall cause to be deposited and credited to the Nongame Wildlife Fund.

31 (c) Interest or other earnings on the amounts described in paragraphs (a) and (b) of this sub-
32 section which shall inure to the benefit of the Nongame Wildlife Fund.

33 (2) Moneys contained in the Nongame Wildlife Fund are continuously appropriated for the pur-
34 poses specified in ORS 496.390.

35 **SECTION 22.** **Notwithstanding any other provision of ORS 305.690 to 305.753, an entity**
36 **that is form listed, as that term is defined in ORS 305.690, on individual income tax return**
37 **forms for the tax year beginning on January 1, 2007, may not be removed from form listing**
38 **until the return forms for the tax year beginning on January 1, 2009.**

39 **SECTION 23.** **Section 4 of this 2007 Act is added to and made a part of ORS 305.690 to**
40 **305.753.**

41 **SECTION 24.** **ORS 305.749 is repealed on January 2, 2012.**

42 **SECTION 25.** **Section 4 of this 2007 Act and the amendments to statutes by sections 1 to**
43 **3, 5, 6, 9 to 14 and 16 to 19 of this 2007 Act apply to tax years beginning on or after January**
44 **1, 2007.**

45 **SECTION 26.** **The amendments to statutes by sections 7, 15, 20 and 21 of this 2007 Act**

1 and the repeal of ORS 305.749 by section 24 of this 2007 Act apply to tax years beginning on
2 or after January 1, 2012.

3 **SECTION 27.** This 2007 Act being necessary for the immediate preservation of the public
4 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect
5 on its passage.
6

VOTING MEMBERS

COLLEEN CAIN
PORTLAND

JAMES W. BERNAU
TURNER

HERMAN A. MACDONALD
SALEM

TIM T. MARKWELL
RICKREALL

BARBARA SMITH WARNER
PORTLAND

OREGON CHARITABLE
CHECKOFF COMMISSION



NON-VOTING MEMBERS

SEN. FRANK SHIELDS
PORTLAND

REP. SAL ESQUIVEL
MEDFORD

ADVISOR
JOHN PAUL (JP) JONES
OREGON DEPT OF REVENUE
(503) 947-2302

Meeting Date: November 9, 2006
Location: Department of Revenue, Room 463
Time: 9:30 AM – 10:00 AM

Present: Herman MacDonald, Chair
John Paul (JP) Jones, Advisor, Department of Revenue
Christopher Howery, Scribe Department of Revenue

Phone: Tim Markwell, Commission Member

Not Present: Colleen Cain, Commission Member
James Bernau, Commission Member **(Due to other engagements)**
Barbara Smith Warner, Commission Member
Senator Frank Shields, Commission Member
Rep. Sal Esquivel, Commission Member

Agenda: 1) Approval of suggested changes to Charitable Checkoff Program

Chair Chairman MacDonald calls the meeting to order at 9:31 AM

1) **Approval of suggested changes to Charitable Checkoff Program:**

Chairman MacDonald purposes that the suggestions to the program be approved and submitted as are.

Tim Markwell has no objections with the current proposal.

Chair MacDonald states he will forward letters to Governor Kulongoski, Karen Minnis, and Peter Courtney with the recommended approved changes to the program from the Commission.

Meeting concluded at 9:35 AM.

Agenda
Oregon Charitable Checkoff Commission

October 25, 2006
10:00 – 12:00
Oregon State Capitol Room E

9:00 – 10:00 Executive Session

1. Introductions
2. Old Business
 - a. Consideration of Program Changes
3. Adjournment

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REP. SAL ESQUIVEL
MEDFORD

ADVISOR
JOHN PAUL (JP) JONES
OREGON DEPT OF REVENUE
(503) 947-2302

Meeting Date: October 25, 2006
Location: State Capitol, Hearing Room E
Time: 10:00 AM – 12:00 PM

Present: Herman MacDonald, Chair
Tim Markwell, Commission Member

John Paul (JP) Jones, Advisor, Department of Revenue
Ken Ross, Department of Revenue, Administrative Services Division
Christopher Howery, Scribe Department of Revenue

Agenda: 1) Introductions
2) Old Business
a) Consideration of Program Changes
3) Adjournment

Chair Chairman MacDonald calls the meeting to order at 10:05 AM.

1) **Introductions:**

Chairman MacDonald and the other Charitable Checkoff Committee Members introduce themselves to the public forum.

Chair MacDonald states this meeting is do address the current suggestions of changes to the current Chairitable Checkoff system, to set a standard for all entities involved, making the process fair and equitable for all agencies.

Addendums:

- Change purposed requirements as of 12/31/11
- Affected ORS 496.380, add 2 boxes for tax payers, be able to select 2 out of 23 entities
- Proposal for adding a box for tax allotment to be deleted due to the cost involved

2) **Old Business:**

Bill Lindland with Oregon Head Start Organization. Mr. Lindland agrees that dropping the required 10,000 signatures a year, after passing the initial screening part, should be removed from the requirements. He believes that submitting the bill not requiring 10,000 signatures, has a better chance of passing if submitted separately. But what ever direction the Commission decides, he will support. Mr. Lindland also asks the question if the Commission is going to submit a single bill the legislatures, or if it will be multiple bills?

Chair MacDonald wants to submit 1 package bill with all recommendations included. However, if the Commission feels that some bills have a better chance passing on their own, they will decide which bills have a better chance of passing separately and adjust it accordingly.

At this time no other entities to come forward.

Chair MacDonald will move forward with the Commission by submitting a letter of the recommended changes to the Speaker of the House, the Senate, and Governor. Then it will begin the legislative process. Chair MacDonald wants it to be a fair and equitable process for all entities involved in the program.

3) **Adjournment:**

Meeting adjourned at 10:20 AM

Agenda
Oregon Charitable Checkoff Commission

September 14, 2006
9:00 – 12:00
Oregon State Capitol Room 50

1. Introductions
2. Old Business
 - a. Salvation Army – Biennial Report
3. New Business
 - a. Overview of Checkoff Programs, History & Other States
 - b. Public Testimony – Restructuring the Charitable Checkoff Program
4. Other Business
5. Adjournment

VOTING MEMBERS

COLLEEN CAIN
PORTLAND

JAMES W. BERNAU
TURNER

HERMAN A. MACDONALD
SALEM

TIM T. MARKWELL
RICKREALL

BARBARA SMITH WARNER
PORTLAND

OREGON CHARITABLE
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NON-VOTING MEMBERS

SEN. FRANK SHIELDS
PORTLAND

REP. SAL ESQUIVEL
MEDFORD

ADVISOR
JOHN PAUL (JP) JONES
OREGON DEPT OF REVENUE
(503) 947-2302

Meeting Date: September 14, 2006
Location: State Capitol, Hearing Room 50
Time: 9:00 AM – 11:00 AM 2:00 PM

Present: Herman MacDonald, Chair
James Bernau, Commission Member
Colleen Cain, Commission Member
Tim Markwell, Commission Member
Barbara Smith Warner, Commission Member

John Paul (JP) Jones, Advisor, Department of Revenue
Christopher Howery, Scribe Department of Revenue

Agenda: 1) Introductions
2) Old Business
 a) Salvation Army – Biennial Report
3) New Business
 a) Overview of Checkoff Programs, History & Other States
 b) Public Testimony – Restructuring the Charitable Checkoff Program
4) Other Business
5) Adjournment

Chair Chairman MacDonald calls the meeting to order at 9:15 AM.

1) **Introductions:**

Chairman MacDonald and the other Charitable Checkoff Committee Members introduce themselves to the public forum.

2) **Old Business:**

Chairman MacDonald addresses the issue concerning The Salvation Army's lack of any written reports and presence from June 21st 2006 Charitable Checkoff Meeting. John Seby, with The Salvation Army informs the committee that he was unaware of any reports that were due. Chairman MacDonald states that he contacted the Salem Chapter of The Salvation Army, and spoke with a representative extensively, to what documentation was required to continue being in the program, and she expressed that she would contact the head office, (John Seby) and relay the information. Chairman MacDonald inquires to John Seby if he knows when they sent in their last report. John Seby states that documentation was sent at the end of 2005 fiscal year. Chairman MacDonald states that there are only three options. One, delete Salvation Army from the next tax year, two, place them on probation for a year, and require them to report at next years meeting, or three, just continue on. Chairman MacDonald states that he wants to place Salvation Army on one years probation, and have them report at the 2007 Charitable Checkoff Meeting, failure to do so, would result in deleting them from the program. A motion is brought forward to establish a new category, for probation. The motion is seconded, and approved. The new category is established for the Salvation Army. Another motion is raised by Chairman MacDonald that the Salvation Army will be placed on probation for one year, and at the next meeting, be present with the required documentation sent to Department of Revenue to remain in the program. The motion is seconded, and approved.

3) **New Business:**

a) Overview of Checkoff Programs, History & Other States (Power Point Presentation-See Attachment) Presented by JP Jones

b) Public Testimony – Restructuring the Charitable Checkoff Program

Chairman MacDonald opens the public forum, informing all interested parties; the forum will address each of the issues listed on the "Suggestions for Restructuring Oregon Charitable Checkoff" list (See Attachment A.

1) Require the e-file program to list all Checkoff recipients in the order they became eligible for the program. Current e-file program resembles the form but has a pull-down menu for entities listed in the booklet.

- a) Lynn Trainer with Doernbecher's Hospital Organization. Lynn suggests to be placed on the e-form, and that it would be equitable for all entities without adding too many costs. Member Warner-Smith asks if we know what percentage of population are we dealing with? Advisor JP Jones states that the numbers are growing annually, last year 60% e-filed out of all tax filings.
- b) Linda Kirkland with Special Olympics Oregon. Linda Kirkland is also in favor of listing all entities in a combo box form on the e-file, that would be automatic, and that entities should be rotated on this list.
- c) David Greenberg with Planned Parenthood. David is also in favor in listing all organizations on the e-file form. David used Quicken for his taxes, and states that he felt it was extremely easy to utilize the pull-down lists with the organizations listed, as opposed from looking at one booklet to another. He also goes on to say that once Planned Parenthood was listed in the booklet, their income exceeded \$50,000, but their marketing to make people aware of this fact went up to \$12,000. David believes that for the process fair and equitable all entities should be listed. David favors rotation as a second option, and to be listed in whatever order they are currently listed alphabetical or on the print form. Advisor JP Jones states that there is no limitation based on ORS restricting entities, however just a limit of space availability.
- d) Bill Lindland with the Oregon Head Start Association. Mr. Lindland states he is favor of listing all entities on the e-file. To do so, equitably list the entities by the year of they became eligible. After a couple of years, start routinely rotating the recipients to

be fair and equitable. Mr. Lindland believes that the impact of listing all entities should be reviewed before taking any steps toward this.

- e) Denise Washington with Stop Domestic Violence. Ms. Washington states that she would be in favor of listing the agencies by the order they became eligible for the Charitable Checkoff.

Ms. Washington raises the question, that currently a person can only choose one entity to donate to on the hard copy form, and is that going to be true for the e-file form? Advisor Jones forwards the question to Ron Wagner. Ron Wager informs the forum that if the hard form states a person can only donate to one entity, then the electronic form must reflect that as well. This standard was set by the National Association of Tax Computerized Processors, which controls what all the software companies do. Committee Member Cain asks the question could the printed tax booklet be changed, to be part of a proposal to add more than one entity to choose from. Ron Wagner responds by that it could be. Committee Member reiterates that even if there are a multitude of entities to choose from, still by statute only 6 of the entities on the booklet, plus 1 other can be selected. Chairman MacDonald purposes that in addition to requiring the e-file amendment, to also add the option for multiple choices for the tax refund for electronic and printed copies.

- 2) Require the tax form to have write-in space for up to five recipient codes with no set denomination-organizations would not be named on the form. This would allow donors to choose recipients and the dollar amount to give
 - a) Shriner's Hospital. Clarification for #2, it would be a complete listing in a totally separate location, and no body would be listed on the Tax Form itself. Chairman MacDonald states that is correct.

Chairman MacDonald takes a hand count, in favor 8, opposed 8.

- b) Linda Kirkland Special Olympics Oregon. Linda states that this would be a disadvantage as opposed to the rotation of entities as outlined in #7 of the Suggestions for Restructuring Oregon Charitable Checkoff. Other entities would not get an opportunity to be listed in the fashion that others have since the beginning, as well as consistently entities that have been listed on the front of the tax form, have a consistent earnings of \$75,000 annually.
- c) Robin Steckly with Oregon Department of Veteran's Affairs. Ms. Steckly informs the committee that Veteran's stance believes more time is needed to review all other options. Veteran's would be in favor of a rotation basis listing first, but if that is not an option, then they would not be opposed as to be listed with all entities in the booklet itself.
- d) Denise Washington with Stop Domestic Violence. Ms. Washington states that at this time, due to lack of information, and not enough figures, that she does not support this type of change. Ms. Washington goes on to state that the Commission, and Department of Revenue should take a more active role in publicizing these organizations and their causes to the public, to assist the entities in lowering their marketing costs. At this time, Ms. Washington is hesitant to make any changes, but supports the notion of establishing a work group that could analyze, identify, and provide those findings to the committee, and entities to assist in restructuring the program.
- e) David Greenberg with Planned Parenthood. Currently Alabama, California, and Delaware all have their Charitable organizations listed on the tax form. Illinois has all 17 listed. Mr. Greenberg states that he would prefer the rotation process rather than taking all entities and listing them in the tax booklet all together as he believes this would be a fair and equitable way of structuring the listings of the entities.

Member Colleen Cain raises the question would it be possible to add all entities to the current tax form. Ron Wagner responds that this issue has been reviewed before, some

ideas were make the paper longer, or add a second page but there would be more of a manufacturing cost, as well as cost associated with storing these documents. Member Colleen Cain asks if Department of Revenue knows the annual % of e-filed taxes, and how much is it expected to increase 10 years from now. Ron Wagner responds that information is unknown, but each year there is an increase in people filing e-file, versus paper form.

f) Donald Lamb with St. Vincent DePaul Society. Mr. Lamb assumes that the 40% of people that did not e-file were people in their senior years. As a result, people of this time era are less comfortable with a computer. Mr. Lamb believes that in the name of fairness, and to be equitable he is not opposed to this process.

- 3) Do away with the requirement to have check off boxes for set dollar amounts (\$1, \$5, \$10, or Other \$_____) and just have the write in amount space. This saves valuable space on the form.

Member Colleen Cain asks if there are any statistics or studies to show or indicated what people are more likely to check mark off, as opposed to filling in a blank denomination, and if changed on the tax form, what would be the outcome. Ron Wager expresses that it would only free up space horizontally, but all the entities could be listed, in two columns, as opposed to one as it is right now. Studies have shown that tax payers are more likely to use a check predetermined denominations box of higher value, as opposed to filling in the blank. JP Jones states that on average, the donations per person are up to \$8.04, as opposed to around \$4.00 a few years ago. Chairman MacDonald moves to have a show of hands vote to change the check off boxes to 5, 10, and 25. 13 in favor, 0 opposed.

- 4) Do away with the \$50,000 donation limit for those listed on the form. They all receive well over that now.

Chairman MacDonald clarifies that this would remove entities earning more than \$ 50,000 income per year, to be removed from the listing.

a) Robin Steckley with Department of Veteran's Affairs. Ms. Steckley asks for clarification that if some of the other mentioned suggestions are put into place, then they could make this one null and void. Chairman MacDonald states that is correct. Ms. Steckley in her opinion that to make it fair and equitable, if a rotation is put into place, then all entities should reach that \$50,000 level should be removed.

Member Cain suggest as this time, the Committee may want to address the issue of having all the regulations for the program to be the same for all entities, or remove them completely. Chairman MacDonald agrees with this.

- 5) Increase the \$50,000 target to \$75,000 or \$100,000 for continued listing on the tax form.
a) Denise Washington with Stop Domestic Violence. Ms. Washington states that the coalition does not have a multi-million dollar budget. Most of their money is received through grants from the Federal Government. Raising the amount would not be an equitable solution for the coalition.

- 6) Change or eliminate the requirement to recertify for booklet listing (10,000 signatures) each six year. The signature gathering effort is costly and time consuming. Keep the requirement for initial listing.
 - a) Sarah Berkland with the Susan G. Koman Foundation. Ms. Berkland states that this is a timely process, but not a costly process. By gathering volunteers and taking advantage of community functions, and festivities that would allow an entity the potential to get a large volume of signatures, but publicize their cause as well.
 - b) Marcia Crest with the Oregon Humane Society. Ms. Crest states that the signature gathering is a time consuming process, but so far has not seemed to have a huge cost impact. But she also believes that by this process it shows there is still support from the community for their program. Ms. Crest asks if there is a minimum income that an entity must have on an annual basis. Chairman MacDonald responds by stating that for the there is no requirement for their program, because they are listed in the tax booklet, and the tax form.

Chairman MacDonald asks for a show of hands of individuals that believe the gathering of signatures is worth effort, and publicity to get their name out to the public. 3 Agree, 8 oppose.

Member Cain asks the question to Department of Revenue, what are the qualifying requirements in other states for this program. JP Jones responds by stating while the Oregon process is unique, for qualifying , and entry into the program in the majority of other states, entities are required to petition legislatures, and then it's brought before the legislatures to begin the Charitable process.

Member Warner Smith clarifies that the entities that are mandated to be listed by ORS 305.727 (4), when they reapply every six years, they have to go through the process of gathering 10,000 signatures to be approved. JP Jones states that is correct.

- 7) Rotate recipients from tax form and booklet on a regular basis, one suggestion was to allow listing for three years and then into the booklet.
 - a) Robin Steckley with Department of Veteran's Affairs. Ms. Steckley states that she would be in favor of a 3 year rotation. Studies have shown that entities that are listed on the tax booklet, gain more income, as opposed to those entities that are not. It is in her opinion that this would be a fair and equitable way for all entities, however before moving forward with this, she would like to see more reports, and numbers that show how other states handled this, as many of the suggestions covered, seem to be intertwined with each other, and how this could impact the overall Charitable Checkoff structure.
 - b) Donald Lambs with St. Vincent DePaul. Mr. Lambs supports the rotation process, but on a yearly basis.
 - c) Linda Kirkland with Special Olympics of Oregon. In favor of a rotation process on an annual basis. Reason being, all entities involved in the process, could prepare a budget plan, based on the annual rotation of this process.
 - d) Denise Washington with Stop Domestic Violence. Ms. Washington states that her organization is not in favor of rotation. Based largely in part, there is a lack of sufficient evidence, and analysis to show based on where entities are listed in the tax booklet or form, determines how much income they receive.
 - e) Cindy Thompson with the Oregon Children's Trust Fund. Ms. Thompson states that their organization has been listed on the tax form since the mid-eighties. Each year they spend a great deal of time, and resources campaigning their cause. It is Ms. Thompson's belief that there are a great many deal of assumptions, and not enough evidence to support a direction such as rotation. Also, perhaps have the state assist in promoting this program to the public more actively.

Chairman MacDonald states that if the state spends more money, then this could result in entities receiving less. Chair MacDonald poses the question to the audience, of own money would like to see the state spend more money in marketing the Charitable Checkoff Program. 1 person is in agreement, and 4 are opposed.

- f) Oregon Humane Society. The representative states that she does not spend any money marketing the program. Currently it is listed on their website, and the information is attached to outgoing mail.

Donald Lamb, ask the questions that if a person owes, can it be allowed than just that person being able to check refund, be able to donate as well. Member Colleen Cain states that issue will be addressed as a number of entities have also stated that concern.

Denise Washington with Stop Domestic Violence suggests that more information is needed before making any changes to the program. She would like to create a work group task force between the Commission and entities involved in the program, to research all aspects, gather and present the facts to the entities. Based on those findings, come up with a viable solution before approaching the legislature with any kinds of changes to the program.

Robin Stuckley with Department of Veteran's Affairs supports the idea of a work group, but would like to move forward, with either listing all the entities in 1 place, or rotation on an annual basis.

Linda Kirkland with Special Olympics of Oregon states that there have been 8 organizations in the booklet for more than 5 years, and while only one was able to raise \$26,000 dollars in one of those years, the majority of those entities were only able to raise \$2000 - \$4000 dollars, while the entities listed on the tax form, consistently raised approximately \$60,000 to \$100,000. To be fair to all entities, a rotation process is an equitable way for all entities to have their turn to be listed on the tax form.

Chris McDonald, Executive Director with Susan G. Komen Foundation believes the statement by Linda Kirkland, says it all. It is not necessary to spend time and energy researching the already obvious. Ms. McDonald is in favor of the rotation process.

Member Markwell states it is his opinion that all things with time change, and before any changes can occur, he would like to ask the group that is present, if they would like to see a limit to the number of entities to be listed, or is it preferred to keep it open-ended, where it has the potential to keep growing and growing.

Donald Lamb with St. Vincent DePaul. Mr. Lamb states that in this program there are two types of entities. One that is on the smaller level, which people associated with the entity as volunteers, and then the larger entities that employ people with based on wages. Currently without exposure, people are less likely to give, if they don't see those entities on the front of the Tax Form. At this time Mr. Lamb believes it's premature, but in a few years to deal with this issue, if in fact changes are made.

David Greenberg with Planned Parenthood. Mr. Greenberg believes that the one group that is not being heard from, are the tax donors of Oregon. He would like to see if there is a way to see what the donors would like to see happen in this instance, and if this could be done before the next legislative session, so that a bill could be motioned forward at that time.

Denise Washington with Stop Domestic Violence. Ms. Washington's organization has a few concerns in the suggestive changes to the program. What will happen when more entities qualify on the program, and if on a rotational basis, how will that impact the other entities? Ms. Washington suggest that convening a workgroup to address the questions, and concerns is something she and her organization would be in support of, before making any changes to the current program.

Meeting is adjourned at 11:10 AM

VOTING MEMBERS

COLLEEN CAIN
PORTLAND

JAMES W. BERNAU
TURNER

HERMAN A. MACDONALD
SALEM

TIM T. MARKWELL
RICKREALL

BARBARA SMITH WARNER
PORTLAND

OREGON CHARITABLE CHECKOFF COMMISSION

NON-VOTING MEMBERS

SEN. FRANK SHIELDS
PORTLAND

REP. SAL ESQUIVEL
MEDFORD

ADVISOR
JOHN PAUL (JP) JONES
OREGON DEPT OF REVENUE
(503) 947-2302

AMENDED—DATE CHANGE FOR ANNUAL MEETING

February 27, 2006

Addresses—Commission Members

Annual Charitable Checkoff Commission Meeting

The annual meeting of the Charitable Checkoff Commission is scheduled for **June 21, 2006**. We will be meeting in the State Capitol Building room 50 (the large room in the basement). The meeting is scheduled to start at 9:00 a.m. and go until noon.

We do not have any new applications and don't anticipate receiving any. There will be annual reports from eight recipients. They are:

- Stop Domestic & Sexual Violence
- Research & Education Group (AIDS/HIV Education & Services)
- Oregon Head Start Association
- Oregon Humane Society
- The Salvation Army
- Doernbecher Children's Hospital
- Oregon Veteran's Home
- Habitat for Humanity of Oregon

If you have any questions for concerns please call me at 503.947.2302.

Sincerely,

John Paul (JP) Jones

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OREGON DEPT OF REVENUE
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Meeting Date: June 21, 2006
Location: State Capitol, Hearing Room 50
Time: 9:00 AM – 12:00 PM

Present: Herman McDonald, Chair
James Bernau, Commission Member
Colleen Cain, Commission Member
Sal Esquivel Representative, Commission Member
Tim Markwell, Commission Member
Barbara Smith Warner, Commission Member

John Paul (JP) Jones, Advisor Department of Revenue
Christopher Howery, Scribe Department of Revenue

- Agenda:
- 1) Introductions
 - 2) Review financial statements for organizations due to report in 2006, as follows:
 - a) AIDS/HIV Research, Education & Services
 - b) Doernbechers Children's Hospital
 - c) Habitat for Humanity of Oregon
 - d) Oregon Coalition Against Domestic Violence
 - e) Oregon Head Start Association
 - f) Oregon Humane Society
 - g) Oregon Veteran's Home
 - h) The Salvation Army
 - 3) Other business
 - 4) Open forum (Audience may address the commission at this time)

Chair Chairman MacDonald called the meeting to order at 9:15 AM.

- 1) **Old Business:**
Chairman MacDonald addresses the issue concerning how the program works. The inequities of the form versus the State Tax Booklet and how he would like to see the process work, based on a rotational listing.

Chairman MacDonald proceeds to explain the following criteria concerning reporting, and the guidelines the agencies must fall into to qualify for the Charitable Checkoff Program. The agencies are to report the following information:

- a) Where is the current location of their headquarters in Oregon
- b) If over the last couple of year they had a drop in revenues, an explanation will be required in order to move forward in the process, and explained a million in operating services to qualify, and why a drop in revenue.
- c) Ensure not spending any money gained from Charitable Checkoff on Administrative Expenses.
- d) A detailed account of where the money from the Charitable Checkoff was spent?
- e) The entities required to recertify have until 30 May of '07 to complete 10,000 signatures needed to qualify for the program.
- f) On reporting in the future, a map of Oregon, depicting the county boundaries, and a detailed account of how much money was spent within those boundaries. Chairman MacDonald also informed all parties that the money cannot be spent on any administrative/operating expenses.

Chairman MacDonald asked the board members if they had any questions. None were raised. Chairman MacDonald requested that the Department of Revenue generate a letter to all parties involved, to explain the difference between administrative expenses versus operating expenses.

2) Review Financial Statements

a) Special Olympics:

Present: Linda Kirkland, C.O.O.

Headquarters are located in Portland Oregon. Ms. Kirkland reported their revenues are over 3 million dollars with an increase. Special Olyympics has not reported fund received, as it is their first year, at two to three thousand dollars, but will do so for next year's reporting. Chairman MacDonald inquired as to what the money is being spent on. Special Olympics reported that the money is being spent on their Summer Games. About 5000 athletes, services in 32 counties, whom train 8-10 weeks and then the competitions will commence. Summer competition costs about \$60,000 dollars. The money from Charitable Checkoff will be used towards the summer games. Chairman MacDonald asks for any questions from the board, none were raised.

b) AIDS/HIV Research, Education & Services:

Present: Jim Sampson-Physician and Executive Director, Susan Utterback-Business Manager, & Steven Pierson-Program Manager/Coordinator for Training

Headquarter are located in Portland. Primary funding is the National Institute of Health Division of Aids for clinical trials. It is reported as being hopeful that their revenue will exceed 1 million dollars. Steve Pierson points out that the entity has provided a map of Oregon with general numbers provided, being that prime concer is confidentiality, but rather identify where the service center is in that county, and how much in funds have been allocated to that center. As reported, one of the goals is to be servicing Oregon on a statewide level. Chairman MacDonald asks for any questions from the board, none were raised. One question was raised about the tax form, about potential removal concerning from the listing, and rotation on the front page, and that information that AIDS Research might not be included because of lack of room. June 27th, is National AIDS testing day, free of charge.

c) Doernbechers Children's Hospital:

Present: Lorie Nealer, Vice President Finance, Linn Treaner, Stewartship Manager

Ms. Treaner reported that their Headquarters is located in Portland Oregon, on OHSU Campus. Chairman MacDonald asked what the money is being spent on. Ms. Treaner reported that it is part of the expansion project which is a \$52.5 million dollar project, which will be completed by next summer, and the 1st phase has been completed. The Checkoff funds received will be used to purchase a prescription dispensing computerized system, which is capable of tracking all patients and prescriptions disseminated. Chairman MacDonald asked if there were any questions from the board. There were none.

d) Habitat for Humanity:

Present: Patricia Daytonike Assistant Director

Ms. Daytonike reported that their Headquarters are currently located in Portland Oregon. Chairman MacDonald asked where the money is being spent. Ms. Daytonike informed the Commission that there are approximately thirty-five Habitat for Humanity affiliates. Money is distributed based on a point system to all of these affiliates throughout the state. Each affiliate receives a point for being an affiliate and additional points are earned by for each building permit for a Habitat House, for each fiscal year. Chairman MacDonald asked if they operate primarily around the I-5 corridor. Ms. Daytonike informed the Commission that there are thirty-five affiliates distributed along the coast, in the valley, and some in Eastern Oregon, Hood River, Sisters, Bend, Klamath Falls, but the majority are along I-5. Chairman MacDonald asked if there were any affiliates located in the South East part of Oregon. Ms. Daytonike reported that she doesn't believe there are any in that region. Chairman MacDonald raises the question concerning future expansions, and any plans in the works? Ms. Daytonike informs the Commission that in fact is the intention of the entity. Habitat communities are started by private citizens, and some talks are in the works, and there has been a small amount of interest shown, but no action taken as of yet. Chairman MacDonald asks the Commission if they have any questions. Representative Sal Esquivel, asked where is the Oregon Trail? Ms. Daytonike reported that it is just a name, but the affiliate is located in Astoria, and that the affiliates choose their own names. Chairman MacDonald makes note that a map with a financial breakdown would be much better to interrupt. Ms. Daytonike agrees, and will be provided it at a later time. A question is raised concerning any affiliates in the South Western Region, or Curry County which is showing a blank for revenue? Ms. Daytonike reports that Rouge Valley is the Southwestern part of the state, and as of this date, has not provided their 990's. It is asked to be more specific when reporting financial summaries. Ms. Daytonike agrees, and will provide that document at a later time. No other questions were raised.

e) Oregon Coalition Against Domestic Violence:

Present: Denise Washington, Executive Director

Ms. Washington reports that their current Headquarters are currently in Portland Oregon. Ms. Washington reported that there has been a drop in their budget. The loss of a Federal Grant, which was part of their funding, was the reason for a drop in revenues, but they are in the process of applying for a different grant. Ms. Washington reports that 85% of funding to local domestic and sexual programs across the State and some of the funds are withheld at headquarters to cover certain expenses, and another part of the money is spent on training to programs. In the past year, several trainings were held, a lot of the programs are grass roots, basically cover the basics (sexual violence, stalking and other training) Chairman MacDonald asks about the geographical map that has been provided, which has three big circle encompassing a multitude of counties, with a generic number, to break the financial numbers by counties. Ms. Washington informs the committee that their agency is unclear as to what they are to submit for the financial breakdown on the state level, and would want a clear direction of what is needed. Chairman MacDonald explains that a map showing all counties, with a monetary value of what was spent in that region and for what program(s) so the whole State is covered. Ms. Washington is in agreement, and will provide that information at the next reporting year. Chairman MacDonald asks if there are any questions. Tim Markwell makes note, there could be a misunderstanding in reporting the Charitable Checkoff as "administration" but should change the word "administration" to "support" so there is no miscommunications on the intention of the money being used from the Checkoff. Ms. Washington states to be sure that their entity will be getting definitive information as to what direction the Commission understands to be administrative expenses. Ms. Washington also points out they historically have been on the front page of the tax form, and ensure a resolution of that will be resolved today, which was noted as being old business from last year. Chairman MacDonald responds that this issue will be address once all entities have reported, and the issue will be voted upon. Chairman MacDonald states that all of the entities that are currently involved in this program are important and need to be treated as such. Such a change, once approved by the Commission, will be submitted to the Legislature which is the only entity that has the power to make such a change. Ms. Washington notes the benefit of the Attorney General's opinion report, which was addressed at the last meeting, whether or not the commission has the

ability to make recommendations or changes. Ms. Washington would not support any type of recommendation if taken to the Legislature. Chairman MacDonald reiterates he believes all entities involved in the Checkoff program are important and need an opportunity to be listed on tax form to have an equal chance. Member Barbara Smith asks the question about only a 1/3 of revenue came from the Checkoff from the last couple of years, which overall is around the \$300,000 range. Ms. Washington states for that information she would refer to their Fiscal Coordinator, but can provide that information at a later time. Member Colleen Cain asks the questions of staff concerning the process if an entity falls below a million. JP Jones responds by stating it's a gateway for an entity applying and approved, and secondly recertification after 6 years. Member Colleen Cain adds that if you fall below that within that 6 year period an entity can still stay active within the program, but will have to have 10,000 signatures. JP Jones acknowledges that is the correct process.

**f) Oregon Head Start Association:
Present: Ruby Miller, Coordinator
Samuell, Coordinator**

Headquarters is located in Eugene, Springfield. Chairman MacDonald asks the question, how is the money being spent. Ruby explains the money is being spent on facility, playground development and safety issues. We currently have thirty-four programs throughout the state. They also apply for various grants which are reviewed and approved by a panel associated with Head Start. It has a strong following at 150 members strong, which rotates each year. Chairman MacDonald asks for any questions, from the committee. None are raised.

**g) Oregon Humane Society:
Present: Aimee Dilscheider, Finance Director
Marcia Crust, Charitable Checkoff Coordinator**

Chairman MacDonald asks where the money is being spent, and how. Ms. Dilschieder explains that there are two programs benefiting from Charitable Checkoff, 2nd Chance Program, and Cruelty Investigations. The money specifically went to help pay for a portion of the spay and neuter costs of animals taken from other shelters, and it also went towards the gasoline for the vehicles that were used in the cruelty investigations across the state. Chairman MacDonald inquires about the counties in Oregon that are not showing any type of dollar amount associated to them? Ms. Dilscheider responds that no money was received for those regions due to the lack of calls responded to. With cruelty investigations a multitude of agencies are involved, in this case no requests came from those areas, same with the 2nd Chance Program. Chairman MacDonald asks if any committee members have any questions. Representative Sal Esquivel asks Ms. Dilschieder if P.E.T.A. (People For The Ethical Treatment Of Animals) has merged with the Humane Society? With a one-hundred and eighty million dollar campaign to accomplish this merge. Ms. Dilscheider explained that they are the Oregon Humane Society, a separate corporation, and not involved with any other agencies outside of Oregon, and there is no such affiliation with P.E.T.A. Chairman MacDonald asks for any other questions. None were raised.

**h) Oregon Veteran's Home:
Present: Pamela Brown, Deputy Director**

Robin Steckly, Public Information Department Representative
Oregon Veteran's Home Headquarters is 700 Summer St in Salem. The Oregon Veteran's Home is located at 700 Veteran's Drive in The Dalles. Ms. Brown has provided two reports; a copy of their Department's report and supplemental document updates the revenues that were used for. They were used to provide nursing care, a bladder scanner, hot water heater, and a personnel computer (which is used by the residents on campus). Veteran's are served all over the state. Chairman MacDonald informs Veteran's Home, on their cover letter to add the word "maintenance", which would increase their chances to be eligible to receive certain donations, which they had been previously denied. Chairman MacDonald asks if there are any questions from the committee. Colleen Cain asks for clarification concerning a dollar amount in the financial summary report, in the amount of \$6900 of disbursement for general use. Ms. Brown clarifies that general use two additional items were added and nursing care. Chairman MacDonald asks if there are any other questions. None were raised.

i) **The Salvation Army:**
Present: No representatives present at this time

j) **American Diabetes Association:**
Present: Representative (Name on tape in not understandable nor provided)
We submitted a report, as well as a map of how and where the money was spent. Expenses were spent on children, and what education programs throughout the state? Chairman MacDonald refers to the map submitted by the entity, explaining that the I-5 corridor, and the Northwest, Bend, The Dalles, Pendleton, and Hermiston parts of the state are covered, but there is no information in the Southwest region. The representative explains that there are plans currently underway to expand into that region. There was a program started in the Klamath Falls area, but the program did not work out. The representative also clarifies that in order to branch out, Diabetes Education Programs, which have the programs to establish in communities, and the entity also attempts to reach the majority of people with Diabetes in the more remote areas. Chairman MacDonald questions if there are any plans to move out towards those remote areas, and promoting the American Diabetes Association to people in those locations. The Diabetes Educators in conjunction with those partners, the information is sent out, so people have know to call this entity if needed, and we have a website, and promote free materials to people, doctors and nurses. Chairman MacDonald inquiries as to any type of relationships that the entity has with any physician's or medical instructions within the State, and how would they know that you exist. The representative explains that the American Association has a professional education program offered yearly, and through that process we promote our services at the same time. That was not included in the report that was provided to the Commission. Chairman MacDonald asks if there are any questions. No questions were raised.

k) **S.M.A.R.T. (Start Making A Reader Today):**
NOT REQUIRED TO REPORT (COURTESY REPORT)

3) **Other Business:**

a) **Rotation Cycle:**

Chairman MacDonald asks if there is anyone who would like to testify to their opinions on this idea. Chairman MacDonald stated that he would like to submit the idea to legislature and testify on its behalf. Donald Lamb with St. Vincent DePaul Society informs the committee that he believed that the listing on Tax Booklet was going to be changed a few years back, when he was involved with this program. Mr. Lamb also believes that this would be fair, and be the proper thing to do. Being that many people don't know to look at the listings of all the entities. He also believes there is a tremendous advantage to being listed on the form. Chairman MacDonald asks if there are any questions from the committee. None were raised.

Paula Brown, Deputy Director with Veteran's Affairs. Ms. Brown states the department would welcome the idea to being listed on a rotation basis on the Tax Form

Linn Trainer with Doernbecher's Hospital. Ms. Trainer explains that there is a group of volunteers who collects signatures, and each year they inquire as to why all organizations are not listed equally. Ms. Trainer and her organization would support this type of rotation cycle in the coming future for all organizations.

Linda Kirkland with Special Olympics Oregon, states that they are in agreement with changing the listing to a rotation cycle listing as the financial numbers have shown that entities listed on the front of the form, have a larger return from the Checkoff.
Chairman MacDonald asks if anyone from the audience wishes to speak. No individuals step forward. The same question is asked of the Commission. Member Cain questions the discussion about opinion from the Attorney General about this particular bill. Chairman MacDonald responds that the Attorney General clearly stated that it has to be done by the legislative process.

Chairman MacDonald asks if there are any other questions. Tim Markwell, asks if all entities are to be listed on a rotational basis, will fall under the review of the Checkoff Commission. John Paul Jones

responds that it would be one of items that should be addressed in the legislation, as there is no recertification process for those entities that are mandated to be listed. Member Cain asks what the timing would be, if passed by legislation. Chairman MacDonald states that there were 5 entries, but the 2006 Draft has six entries. Bottom line, the six currently listed, would come off, and six new ones, rotating each year, which would be the first year that the bill was passed, or it could be listed in the bill effective as whatever date decided upon. James Bernau points out that it appears a motion is about to be moved. Chairman MacDonald acknowledges. Mr. Bernau states a motion limited to the rotation may not address all issues of fairness. First item that should be looked at is to understanding why donations were down. The second item, addressing the issue of fairness, but including entities dependant on this program based on where they are listed on the tax form. Chairman MacDonald asks what could be suggested. Member Bernau would like some time to review the information, before the committee takes a stance on the issue. Chairman MacDonald states that it would have to be moved on if something is to be done by 2007. Representative Sal Esquivel states that he would like time to review all the documents, and is a little unclear as to what the direction is going to be. Chairman MacDonald would like to have another meeting, in August. He would like to get a bill going by January 2007. Chairman MacDonald calls for another meeting in August, and to notify all entities involved, to be available to testify towards this initiative. At such point in time, Chairman MacDonald will call for a vote by the Commission whether to go ahead and ask the Legislative to sponsor the bill, or conclude that it is not a good idea which would null and void the initiative. Chairman MacDonald states that he would like to give a chance to all entities involved to testify in August on this issue. In the letter that will be distributed, there will be a motion as to what you'll be testifying to, and your stance. Member Warner Smith agrees with Rep. Esquivel and Mr. Bernau, that at this time, they are not ready to know what the motion is going to be, and would like to take six weeks to ask for comments, and define what the resolution should entail, from both the organizations, and Commission Members, and staff should combine all the ideas in a presentation and present all those ideas at the meeting to determine what should be proposed to the legislature. Member Cain believes with Member Warner, that there are structural issues besides rotation that may want to be addressed, and input from all involved parties would be the best process. Member Bernau believes that a specific way on how to do go about doing this correctly? Member Bernau suggests more specifics need to be sent out and more specific guidelines concerning the county maps, and procedure. Chairman MacDonald suggest to have a letter be sent out with all the ideas, and then everyone generates their own ideas, and when the next meeting is held, all the ideas are reviewed and discussed. Chairman MacDonald asks for any objections. There are no objections. Chairman MacDonald asks for suggestions for a date for the next hearing. Colleen Cain suggests sometime between September 11th and the 15th, and this is seconded. Ms. Washington, Domestic Violence asks what is to be expected. Chairman MacDonald explains that the letter will detail that information. Member Warner-Smith suggests the implications of changes. Rep. Sal Esquivel would like to have time to review all the information before another hearing, Chairman MacDonald agrees. Member Cain suggests looking at how other states setup their charitable Checkoff listings. Member Warner-Smith wants to review how a new process will impact the entities that are currently mandated by law to be listed on the tax form.

Meeting is adjourned.

VOTING MEMBERS

COLLEEN CAIN
PORTLAND

JAMES W. BERNAU
TURNER

HERMAN A. MACDONALD
SALEM

TIM T. MARKWELL
RICKREALL

BARBARA SMITH WARNER
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REP. PAT FARR
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A G E N D A

Oregon Charitable Checkoff Commission Meeting
9:00 am, Tuesday, July 12, 2005

HEARING ROOM B
State Capitol Building

1. Introductions
2. Discuss Approval of New Organizations – In Order Listed Below
 - a. Special Olympics Oregon
 - b. Shriners Hospitals for Children Portland
 - c. The Susan B. Koman Breast Cancer Foundation Oregon & SW Washington Affiliate
 - d. Oregon Lions Sight & Hearing Foundation
3. Review Financial Statements – In Order Listed Below
 - a. American Diabetes Association
 - b. The Nature Conservancy
 - c. Oregon Children's Foundation SMART
 - d. Oregon Coast Aquarium
 - e. SOLV
 - f. St. Vincent DePaul Society of Oregon
 - g. Planned Parenthood of Oregon
4. Other Business

5. Open Forum (The audience may address the commission.)

OREGON CHARITABLE CHECKOFF COMMISSION

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RICKREALL

BARBARA SMITH WARNER
PORTLAND

Meeting Date: July 12, 2005
Location: State Capitol, Hearing Room B
Time: 9:00 am – 12:00 pm

Present: Herman MacDonald, Jim Bernau, Tim Markwell, Barbara Smith Warner, Colleen Cain, Senator Frank Shields, John Paul Jones and Debi Tiffany

- Agenda:
1. Introductions
 2. Old business
 3. Discuss approval of new organizations to be added to the 2005 Oregon Tax Booklet
 - a. Special Olympics Oregon
 - b. Shriners Hospitals for Children Portland
 - c. The Susan G. Komen Breast Cancer Foundation Oregon and SW Washington Affiliate
 - d. Oregon Lions Sight & Hearing Foundation
 4. Review financial statements for organizations due to report in 2005
 - a. American Diabetes Association
 - b. The Nature Conservancy
 - c. SMART
 - d. Oregon Coast Aquarium
 - e. SOLV
 - f. St. Vincent de Paul Society of Oregon
 - g. Planned Parenthood of Oregon

Herman MacDonald called the meeting to order at 9:05 am.

1. **Introductions:** Colleen Cain is from the Portland metro area, James Bernau owns Willamette Valley Vineyards, Frank Shields is a Senator, Herman MacDonald is from West Salem and is a lobbyist, Barbara Smith Warner is a stay at home mom in the Portland area and Tim Markwell is from the Salem area.
2. **Old Business:**
 - a. Commission member Mac MacDonald requested that the Department of Revenue follow up on this issue: In reference to July 21, 2004, meeting minutes: Page 5 – number 11 Stop Domestic & Sexual Violence – ACTION ITEM: Trisha Baxter will request additional information regarding the services provided and whether those services are available to residents to those areas where a presence was not shown.

ACTION ITEM: Commission advisor John Paul Jones will request the information again and distribute to the commission members.

- b. Commission member Herman MacDonald requested that the Department of Revenue follow up on this issue: In reference to July 21, 2004, meeting minutes: Page 5 – number 12 Habitat for Humanity – ACTION ITEM: Contact will be made with Laurie Meadows, Resource Development Manager, to request additional information on how the organization publicizes the checkoff program and more specifically what the funds are used for.

Commission member Herman MacDonald also requested that a member of the organization to be at the next annual meeting to explain their documentation. If no one shows up, the commission will vote to have the organization taken out of the charitable checkoff program for noncompliance of charitable checkoff requirements.

ACTION ITEM: See Rick Gaupo's, Executive Director for the Salem area, comments below in Other Business.

- c. Commission member Tim Markwell inquired about this issue: In reference to July 21, 2004, meeting minutes: Page 5 – number 13. Commission member Tim Markwell suggested that the commission provide more complete and detailed information to the checkoff organizations on the guidelines and requirements necessary to provide when they are due to report their financial statements. The financial reports need to be more specific and meet the expectations of the commission.

ACTION ITEM: Commission advisor John Paul Jones will come up with more specific guidelines and necessary requirements for the organization to follow and a checklist used by the commission members to verify where the monies are going.

3. New Organizations:

- a. **Special Olympics** – Margie Hunt, CEO, and Linda Kirkland, COO, reported. Ms. Hunt reported that Special Olympics is a statewide program serving individuals with mental disabilities for children and adults. More than 7,000 trained volunteers serve 5,000 athletes. Special Olympics is volunteer driven. Ms. Kirkland reported that training programs and competitions are offered year round with sports training, education and athletic competition in a variety of Olympic-type sports. These programs inspire greatness in more than a million athletes around the world. Commission member James Bernau asked what measures the organization takes to track Oregon taxpayers. Ms. Hunt stated that the organization needs to become popular and on the radar screen in the community. The organization does this in a number of ways, such as, sending out newsletters to a broad donor base and high profile events (Bite of Oregon, Portland Trailblazer's Street Jam, 3 on 3 Basketball and Hoop Fest). Commission member Barbara Smith Warner questioned the use of the charitable checkoff funds that are used for expanded training. Ms. Hunt stated that the program is volunteer driven statewide and all money supports growth to local programs. As far as publicizing charitable checkoff, activities are in the business plan, people can donate money, newsletters increase the stature of the board members and serious-mark campaigns. Commission members had no further questions for Ms. Hunt and Ms. Kirkland and thanked them for their report. **Motion was made** by Commission member Herman MacDonald to include the Special Olympics Oregon in the charitable checkoff program and seconded by commission member Colleen Cain. **All commission members were in favor.**
- b. **Shriners Hospitals for Children Portland (SHC-P)** – Pat Grennan, Director of Community Affairs, and Mandy Kruger, Donations Coordinator, reported. Ms. Grennan stated that SHC-P

provides pediatric orthopaedic and plastic surgery care as well as services offered in the Orthotics and Prosthetics Department (O&P) that is completely free to patients and their families at the Portland hospital. Patient care is provided to children from birth to 18 years of age. The number of patients being treated at SHC-Portland and within the O&P department has steadily increased over the years, indicating continued strong demand for patient services for the children in the Pacific Northwest. SHC-P is funded through the Endowment Fund that is managed by the Corporate Board of Trustees. This fund relies solely on donations, bequests and individual Shriner's annual dues to finance the operating budget for all 22 hospitals. SHC-P is looking for additional sources of income. Charitable checkoff funds would be used to augment the O&P department's annual supply budget. The department served about 2,300 patients, 75% from Oregon. Commission member Herman MacDonald asked if there was anything to add. Commission member James Bernau stated that the funds cannot be used for administrative expenses and the presentation was great. Ms. Grennan stated that the organization is able to track the orthotic and prosthetic devices where they reside. Commission member Tim Markwell stated that there needs to be guidelines submitted for 1099 organizations that have central offices and local offices. Commission member Herman MacDonald stated that the central office needs to be in the state of Oregon and the money spent on Oregon children. Commission member Barbara Smith Warner asked how charitable checkoff is promoted within the organization. Ms. Grennan stated through the Masonic family with 5,000 individuals involved they helped with the signature petitions. Also support clubs, websites, 2,000 donor mailings, hospital volume base and fundraising pay for general public promotion. Commission members had no further questions for Ms. Grennan and thanked her for her report. **Motion was made** by Commission member Herman MacDonald to include the Shriner's Hospitals for Children Portland in the charitable checkoff program and seconded by commission members Barbara Smith Warner and Colleen Cain. **All commission members were in favor.**

- c. **The Susan G. Komen Breast Cancer Foundation** – Sara Berglund, Fund Development Specialist, and Susan Forsythe, Board Member, reported. Ms. Berglund stated that the organization's headquarters is in Dallas, Texas. Oregon has a support staff of eight and 17 board members. Funds are raised through Race for the Cure and community grants. Through the state and federally funded Oregon Breast and Cervical Cancer Program (OBCC), the Komen Foundation contributes over \$500,000 annually to provide clinical breast exams, free mammograms and life saving diagnostic services to over 2,200 people. Women between the ages of 50-64 who meet the OBCC's criteria are eligible for free clinical breast exams and mammograms. With the OBCC program, Komen is able to expand the number of women served by offering mammograms to women between the ages of 40-59. The Komen Foundation is currently in negotiation with OBCC to lower the age of service to include women 18-40. Publicizing the organization is achieved through promotions, email blasts, two annual newsletters, the annual report and the website. Commission member Tim Markwell asked about the pooled funds for Oregon and Washington. Ms. Berglund stated that the funds are separated. Commission member Herman MacDonald suggested that the organization show in writing on the report the money spent in Oregon. Commission members had no further questions for Ms. Berglund and Ms. Forsyth and thanked them for their report. **Motion was made** by Commission member Herman MacDonald to include The Susan G. Komen Breast Cancer Foundation in the charitable checkoff program and seconded by commission member Tim Markwell. **All commission members were in favor.**
- d. **Oregon Lions Sight & Hearing Foundation** – Amber Kern, Executive Director, and Tom Bessonnette, Chairman, reported. Ms. Kern stated that since 1959 The Oregon Lions Sight & Hearing Foundation (OLS&HF) has been serving Lions Clubs by supporting their efforts in humanitarian service in the areas of sight, hearing and diabetes awareness and positive youth development for all Oregonians. This year over 80,000 children and adults were assisted by the

OLS&HF through their statewide programs. The Oregon Lions Mobile Health Screening Units (MSU) program consists of two traveling preventive health-screening units that are available to communities statewide. The program provides free community and school screenings year-round in the following areas: vision acuity, hearing, diabetes, blood pressure and glaucoma. The organization publicizes charitable checkoff by relying on the grass root level to spread through the community, holiday mailings, newsletter and by 30% clubs, 40% grants and 30% endowments. Commission member Tim Markwell asked what the benefits of the funds received from the charitable checkoff program and what are the plans for these funds. Ms. Kern replied that the funds would be used for direct services, such as, sight and hearing surgery assistance, expensive health screenings and more hearing aids. Commission member James Bernau stated that the organization has a very powerful grass roots base. Ms. Kern replied that they were instrumental in gathering the signature petitions. Commission member Herman MacDonald inquired about the California club. Ms. Kern stated that they will separate the money used in Doris, California. Commission members had no further questions for Ms. Kern and Mr. Bessonette and thanked them for their report. **Motion was made** by Commission member Herman MacDonald to include Oregon Lions Sight & Hearing Foundation in the charitable checkoff program and seconded by commission members James Bernau and Barbara Smith Warner. **All commission members were in favor.**

4. **Financial Statement Reports:**

- a. **American Diabetes Association** - Bev Bromfield, Program Manager, reported. The organization provides information to people that have and are at risk of diabetes. Charitable checkoff funds are used for community education grants, community education programs and families of children living with diabetes through their KIDS (Knowledge and Information about Diabetes in Schools) and their Family Resource Network. These programs are focused to reach Oregonians and the money is used on Oregonians. Commission member Herman MacDonald stated that there was a strong presence along the I-5 corridor for the organizations programs and why is central Oregon left out. Ms. Bromfield stated that the organization is working on it. A program in Bend did not work out. Commission member Herman MacDonald asked if the organization will provide help to individuals in central Oregon. Ms. Bromfield stated that the organization will not turn anyone down. Commission member Tim Markwell stated that the fiduciary breakdown was good. Ms. Bromfield stated that it would be helpful if charitable checkoff developed a standardized form for information requested. Commission member Barbara Smith Warner agreed that the presentation should include a written statement, narrative and a map of areas served. Commission member Tim Markwell stated this organization stood out in it's presentation and this is not a criticism to the other organizations. Commission member Barbara Smith Warner noticed that the number of counties served in 2003-2004 has doubled and what did the organization do to accomplish this. Ms. Bromfield stated that this was just a fluke and there were no changes in marketing. Commission members had no further questions for Ms. Bromfield and thanked her for her report.
- b. **The Nature Conservancy** - Avalyn Taylor, Government Relations Coordinator, reported. Ms. Taylor stated that The Nature Conservancy is a global conservation organization serving all 50 states. The mission of the organization is to preserve plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. Charitable checkoff funds have been used to support general stewardship activities at their 48 preserves and managed areas throughout Oregon. The funds were also used to monitor rare plant and animal species near Enterprise, Oregon, control and eradicate Japanese knotweed in Portland and restore marshlands in Klamath Falls. Commission member Colleen Cain asked how does the organization promote constituents. Ms. Taylor replied through annual reports and member mailings. The organization will also look into adding charitable checkoff information to

their website. Commission member Herman MacDonald questioned why revenues were down this year. Commission member Barbara Smith Warner commented that the financial report needs more specificity. There is no sense of where exactly did the funds go and the funds spent geographically. Commission member Senator Frank Shields stated that it would be helpful to show a wide diversity of groups local and central. Commission member Herman MacDonald stated that the organization much have headquarters in Oregon. Commission member Senator Frank Shields stated the organization needs to show strong neutralized (office) or power in local organizations. Something to think about and address. Commission member Herman MacDonald stated that the same office has to have power to make decisions regarding charitable checkoff. Commission members had no further questions for Ms. Taylor and thanked her for her report.

- c. **SMART** – Mary Ammann, Central Valley Development Manager, reported. Ms. Ammann stated that SMART’s mission is to link children with books through volunteers. Since 1992, SMART has served 90,000 Oregon kindergarten through elementary students, donated 1.2 million books and coordinated 2.2 million volunteer hours. Each child receives two books per year. Volunteers donate one hour per week per child 28 weeks per year. Since 2003, SMART has served 22,000 students, 262 schools, 31 counties and has 18,000 volunteers. One hundred percent of the charitable checkoff funds has gone to programs. Commission member Colleen Cain requested a more specific breakdown. Ms. Ammann stated that payroll and benefits money is spent on a school coordinator that conducts criminal background checks, recruitment, training and books. Commission member Herman MacDonald stated that payroll is an administrative expense. Ms. Ammann stated that payroll is a program expense in this case. Commission member Barbara Smith Warner stated that she understood that all administrative expenses were not to be used for charitable checkoff funds. Commission member Herman MacDonald suggested that the organization show the money was spent on books and materials and then there would be no questions regarding payroll and what about the five counties not included. Ms. Ammann stated that these were rural counties that use the SMART in a Box kit program. The region manager will introduce SMART to community leaders through fund raising. Commission member James Bernau stated that the commission and organizations need guidance regarding the cost of the school coordinator (program expense not general administrative expense). Ms. Ammann stated that the organization could not run the programs without the volunteer base. Commission member Barbara Smith Warner asked for a better explanation of SMART branding because she was surprised by the low amount of donors. What are some of the promotions now and how will the organization be expanding? Commission members had no further questions for Ms. Ammann and thanked her for her report.
- d. **Oregon Coast Aquarium** – Greg Strypan, Director of Annual Support, reported. Mr. Strypan stated that in the 13 years the organization has been existence, the Aquarium has provided a quality recreational experience for over 8.4 million visitors and contributed to the educational enrichment of over 400,000 schoolchildren. Nearly 25,000 students, teachers and chaperones visit the Aquarium each year to take advantage of the facility as a living classroom and an additional 7,000-10,000 students also benefit from the Aquarium’s statewide educational outreach program annually. Commission member Tim Markwell stated that this is one of the organizations that is not meeting the fund threshold minimum amount of \$50,000. Commission member Herman MacDonald also stated that some organizations were not meeting the requirement this biennium. Commission member Barbara Smith Warner commented that the financial report showed exactly what the funds went for. Commission member Herman MacDonald commented that when he was a high school principal, the school system used the Aquarium. Commission members had no further questions for Mr. Strypan and thanked him for his report.

- e. **SOLV** – Linda Klein, Financial Director, reported. Ms. Klein stated that SOLV implements a dozen volunteer programs that range from one-day events, such as the Great Oregon Beach Cleanup to ongoing programs, such as Team Up for Watershed Health, and Volunteer Action Training. SOLV helps organize, train and equip thousands of volunteers to participate in projects, such as community beautification. SOLV organizes and supports 90,000 volunteer jobs to improve communities and the environment. SOLV has made efforts to do outreach in all counties. Volunteer Action Training focuses on recruitment and supervision of volunteers, how to engage new people, organize an event and fundraise. Events and efforts for community projects are the target for charitable checkoff funds. Commission member James Bernau stated that part of the charitable checkoff funds are used for administrative expenses. There needs to be guidelines established. Commission member Herman MacDonald stated that it would be best if the money received was not put into administrative expenses. He also agreed that charitable checkoff needs to come up with guidelines for administrative and non-administrative expenses. Commission member James Bernau stated program service. Commission member Barbara Smith Warner questioned the cost of transportation for volunteer trainer. Commission members had no further questions for Ms. Klein and thanked her for her report.
- f. **St. Vincent de Paul Society of Oregon** – Stan Miller, volunteer member of the Portland Council, reported. Mr. Miller stated that the organization has 100 Conferences. The funds from charitable checkoff allow the Conference to distribute the money for requests to upgrade facilities and for donor requests funds to provide direct services to families in need. There are little restrictions for requesting funds. Commission member Herman MacDonald stated that organization serves the I-5 corridor. What about eastern Oregon? Mr. Miller stated that Prineville, Oregon is a recipient of a grant. Commission member Barbara Smith Warner stated that when requests are made, the recipient never gets the full amount. Mr. Miller stated that the funds are distributed on a prorated basis by the Archdiocesan Council Board members. Commission member Barbara Smith Warner stated that the financial report had very good specifics. Commission member Herman MacDonald stated that this is a vast improvement. Commission members had no further questions for Mr. Miller and thanked him for his report.
- g. **Planned Parenthood of Oregon** – Judy Albert and Audrey Milner reported. Ms. Albert stated that the Planned Parenthood of Oregon is an umbrella entity consisting of Planned Parenthood of the Columbia/Willamette (PPCW), based in Portland, and Planned Parenthood Health Screening Services of Southwestern Oregon (PPHSSO), based in Eugene. The organization has provided family planning and education programs to more than 105,000 participants in Oregon in 17 health centers statewide. The financial report reflects only Oregon patients. There are online services serving rural participants with ordering contraception, one-on-one sessions with nurses, picking up contraceptives in the clinics and for women that work two jobs, which is one out of six in rural Oregon. Twenty-three percent of their participants are under 20 years of age. Seventy-five percent are low income participants. The organization publicizes charitable checkoff through the website and newsletters. The newsletter contains a tear out coupon to give to a taxpayer for charitable checkoff contributions. The organization also sends out postcards reminding participants of charitable checkoff before April 15. Commission member Barbara Smith Warner stated that the financial report needed to be more specific. Have more concrete specifics and define the geographical representation. Commission member Colleen Cain stated that the organization was creative utilizing the rural population. Commission member Senator Frank Shields asked if the Deschutes county numbers reflect Internet or actual participants. Ms. Albert stated that there was a new clinic in Bend with a large volume base of youth education in the juvenile detention facility. Since the new clinic, the teen pregnancy rate has dropped. Commission members had no further questions for Ms. Albert and Ms. Milner and thanked them for their report.

5. Other Business:

- a. Rick Gaupo, Executive Director for the Salem area Habitat for Humanity. Commission member Herman MacDonald asked how the charitable checkoff funds are used. Mr. Gaupo stated that the funds are used by volunteers to build houses for low income individuals. The individuals must contribute \$500 sweat equity (their own money) and 200 hours of sweat equity working on someone else's house. The average price of a house is \$85,000 and all families buy the house with a no interest HUD based loan. The funds are distributed to 37 affiliated. The formula for distributing the funds is each affiliate gets 1 point and each house built an additional point is added. Commission member Colleen Cain asked what the funds are used for. Mr. Gaupo stated that the funds were not used for construction. He was not sure exactly and will draft a policy. Commission member Senator Frank Shields asked if land is donated? Mr. Gaupo stated that not a lot of land is donated. Senator Frank Shields asked if any homes were built in eastern Oregon? Mr. Gaupo stated that there is a big grass roots organization committed to steering Bend, Redmond, Sisters, La Grande, Prineville and Klamath Falls. He was not sure about southeastern Oregon. Commission member Herman MacDonald requested that Habitat for Humanity send in their financial reports since no one was present representing the organization at the July 21, 2004, meeting.

ACTION ITEM: The Department of Revenue will follow up with Habitat for Humanity to get the requested financial reports and distribute them to the commission members.

- b. Commission member Herman MacDonald started a discussion about the organization in the tax booklet and on the tax form. Two organizations were put on the tax form by Legislation and the three others were not. He would like for someone to make a motion for the Attorney General to make a ruling to rotate the order the organization would appear on the tax form when they were accepted into the charitable checkoff program. In one year, out next year for continual rotation. There are currently three bills in Legislation addressing this issue. Commission member Herman MacDonald also stated that a better description for The Oregon Veterans' Home should include that the organization is funded by veterans and receives no money from the state of Oregon. Commission member Barbara Smith Warner requested a review of the Oregon Nongame Wildlife Fund and the Alzheimer's Disease Research organizations and what are the other two bills. Commission member Herman MacDonald stated they were bill 3333 and bill 2847, which was in the House. Commission member Colleen Cain asked what is bill 2847? Commission member Herman MacDonald stated that the bills asks for the Oregon Veterans' Home to be put on the tax form and all charitable checkoff organizations rotate five organization each year on the tax form. Commission member Senator Frank Shields stated that the Attorney General would be a great way to save money. He also stated that the two organizations on the tax form are there because of particular connections. The bill could be for five organizations instead three which would be a greater pool. He will work with the Department of Revenue. Commission member Herman MacDonald asked if anyone in the audience wanted to address this motion.

Marge Hunt, CEO, Special Olympics Oregon, commented that she would like to shed some light on the subject. House bills 3333 establishes a wounded soldier fund and 2847 contains rotation language. Presently, the five organizations that are on the tax form receive 10 times more contribution money than the others. Would it be possible to shrink the font size on the tax form to increase the potential of rotation? There is a need for transparency. Better description in the tax booklet. Where is the money going and who does the check get written out to is important to the tax payer. Organizations related to state agencies and those that do not receive government funds should be part of the descriptions. Commission member Herman MacDonald stated that it should also be written that none of the funds are used for administrative expenses. Commission member Barbara Smith Warner stated that the five organizations on the tax form have the most vague, least information. Commission member Herman MacDonald stated that the commission will work with

the Department of Revenue to come up with short, concise statements dealing with the organizations that would be subject to change from the Department of Revenue to fit. Ms. Hunt stated that rotating the organizations would be a tremendous help. Commission member Herman MacDonald stated that the descriptions should be made to stand out on the tax form, maybe in a different color. A tear off slip from the organizations could be given to constituents to give to their tax preparers if they file electronically. Ms. Hunt stated that there is an equity issue regarding organizations having the ability and resources to promote their organization. Some organizations don't have the ability. It would be most effective if their organization was on the tax form. Commission member Colleen Cain seconded commission member Senator Frank Shields suggestion to come up with a creative way to increase giving so all organizations are exposed. Commission member Herman MacDonald suggested changing the booklet to include highlighting and including a tear off slip to give to tax preparers. Commission member Colleen Cain stated that the tax form is not concrete. Legislature can decide if the tax form should be different and bring all organizations up to the level as the five original organizations. Commission member Herman MacDonald stated that the best fix would be rotation. The commission needs to come up with a bill to introduce to Legislature to improve charitable checkoff on the tax form. The Department of Revenue will come up with a draft and the commission will discuss it. Commission member James Bernau asked if the Attorney General was doable? It's a great idea because it would be the least costly manner. He is okay on the motion. The public policy issue needs to be addressed for the commission. Commission member Herman MacDonald stated that the first step is to pass the motion here. Commission member Tim Markwell stated that the legal status needs to be changed. The font can't be changed because of the ADA and the cost of adding another page is prohibitive.

Rick Gaupo, Executive Director for the Salem area Habitat for Humanity, suggested prioritization. Limit the organizations to the top five of Oregon instead of rotation. Commission member Herman MacDonald stated that every entity is equal and the commission wants to be fair.

Commission member Barbara Smith Warner asked what would be the least expensive approach. Commission member Senator Frank Shields stated a large agency would be picking up the tab. We need to look at the cost to get an opinion from the Attorney General. Commission advisor John Paul Jones will look into this. Ms. Hunt asked if there was an effort to get an opinion for the two standing bills. Commission member Senator Frank Shields stated that he didn't know. Commission member Herman MacDonald stated that the Department of Revenue will look into this. Neither bill is moving. He suggested that the organizations send emails to Legislators to make a difference.

Denise Washington, Stop Domestic & Sexual Violence, stated that she was not aware that there was a discussion in progress regarding the rotation of organizations on the tax form. If there are bills in the House, all organizations need to be present to support and discuss these issues. Commission member Herman MacDonald suggested that we wait a year. The best idea would be to get a decision first and then reconvene. We need to move with the motion to get an opinion from the Attorney General to rotate. Are there any objections? Ms. Washington stated that the commission and organizations need to entertain transparency, fairness, equitability and mechanisms to achieve these avenues. Commission member Herman MacDonald stated that when we reconvene everyone will be invited to speak. Ms. Washington stated that she would like to discuss other options besides rotation. Commission member Herman MacDonald stated that he wants the organizations to discuss other options on how to make the issue equitable. Every organization needs to be heard to present charitable checkoff to the general public. We have to work together to come up with a solution. Commission member Colleen Cain asked if the Attorney General's opinion could be expanded to look at other options. Do we have reflection and ability? Commission member Senator Frank Shields suggested that the organizations need to think things through. Create a coalition to do brainstorming. There is a better chance of getting it to fly with a plan first. Commission member Barbara Smith Warner suggested that when the opinions or options from the Attorney General come

in, the decision should be distributed to the interested parties. The organizations can then bring ideas to work sessions. Committee member Herman MacDonald stated that the main work is together, we can do anything and hope to solve this issue to the best benefit. Ken Ross, Finance Manager, Department of Revenue, stated that the 2005 printing deadlines are approaching soon. It is too late to make changes for the 2005 Tax Booklet.

Margie Hunt suggested that a clarification of the process will help understand the parameters of the process (Department of Revenue, new bill, legislation). If more charities that matter to Oregonians are fairly exposed it will encourage philanthropy and will rise, not lower, from what charities receive.

Ms. Albert requested a report of the number of donor per county. Commission advisor John Paul Jones stated that the database does not capture county information. With integrated tax accounting the field is not available. It would be a big cost to the agency to implement two extra keystrokes. Commission member Herman MacDonald asked if the organizations can give out who donated. Commission advisor John Paul Jones said no. **Motion was made** by commission member Herman MacDonald to get an opinion from the Attorney General regarding rotating charitable checkoff organizations on the tax form and seconded by commission members James Bernau and Colleen Cain. **All commission members were in favor.**

- c. Commission member Herman MacDonald asked commission advisor John Paul Jones where is it referenced regarding the minimum \$50,000 in contributions collected in a two year period. Commission advisor John Paul Jones stated ORS 305-749. Commission member Senator Frank Sheilds stated that most organizations would be eliminated. Mr. Ross stated that the minimum requirement does not apply to the Nongram Wildlife Fund and the Alzheimer's Disease Research Fund. Commission member Senator Frank Sheilds commented that this raises issues. If organizations are not in the top five, no one makes it. This complicates rotation. Commission member Herman MacDonald stated that we will reconvene and then ask for a chance.

Meeting adjourned at 11:15 am.