

March 19, 2018

The Honorable Neal Foster and Paul Seaton

House Finance Committee, Co-Chairs

Alaska State Legislature

120 4th Street

State Capitol Room 3

Juneau, Alaska 99801-1182

The Alaska Community Foundation and The Foraker Group would like to voice our concern over the inclusion of the Pick.Click.Give. program in a number of bills currently under consideration by the Alaska State Legislature: SB 154 (PFD contributions to the General Fund); and HB 216 (PFD contributions to Crime Victim Compensation Fund). With this letter we would also draw attention to a bill passed in 2017 – House Bill 23 – which was signed into law and includes an option for Alaskans to contribute a portion of their PFD to the Peace Officers and Firefighters Survivor Fund through Pick.Click.Give. We are requesting that SB 78 (Education Endowment Fund and Lottery/PFD/PCG) be subject to much greater scrutiny, including the gathering of data on the potential negative consequence for PCG. We also acknowledge inclusion of SB8 (Inclusion of Tribal Governments in the PCG program), which handles the fees in a manner that is consistent with the original intent of Pick.Click.Give.

We strongly believe that connecting Pick.Click.Give. (PCG) to pursuits other than the enrichment of nonprofits across the state could result in unintended consequences for the nonprofit sector and for the Pick.Click.Give. program itself.

Our investment of time and resources in the program began in 2007, when Rasmuson Foundation with its partners spearheaded and funded the implementation of Pick.Click.Give. Our goal was clear: To support the state's nonprofit sector, and more importantly the people served. Rasmuson Foundation invested \$3 million to implement Pick.Click.Give. The first year alone required nearly a \$1 million-dollar investment, which allowed start-up at no cost to the State of Alaska, the Permanent Fund Dividend Division or participating organizations. In 2010, we received approval from the Legislature to extend the program indefinitely by removing the statutory three-year sunset and establishing a \$250 filing fee for nonprofits to cover administrative costs at the Permanent Fund division. With sustainability as a top priority, we also advocated for participating nonprofits to contribute to marketing and operational costs (7% fee assessed from donations). A permanent home for the program was identified at The Alaska Community Foundation because of alignment in mission.

The intent of Pick.Click.Give is to increase philanthropy in Alaska by empowering Alaskans to give charitably through their Permanent Fund Dividends. The PCG program includes a statewide marketing campaign and support to approximately 630 organizations that participate annually, with significant ongoing financial support from the Rasmuson Foundation and administrative fees paid by participating organizations. Under the proposed legislation, the additional cost of adding non-

charitable programs to Pick.Click.Give. creates an undue burden on the nonprofits that the program was designed to serve. We believe any entities benefiting from Pick.Click.Give. must support and pay all fees associated with administering the program.

The inclusion of state-run programs and funds in Pick.Click.Give will require additional work for the Pick.Click.Give. program at The Alaska Community Foundation. Additionally, requiring this charitably funded program to raise funds for state operations would be counter-productive and undermine the intent of the program.

With respect to the three bills currently before the legislature, and one that has already been signed into law, we offer three recommendations, all with the intention of protecting the original intent of Pick.Click.Give. for the benefit of current and future Alaskans:

1. With respect to both SB 154 (PFD contributions to the General Fund) and SB 216 (PFD contributions to Crime Victim Compensation Fund), we would recommend that, like all nonprofits eligible for Pick.Click.Give., that both be required to pay an annual fee, currently \$250, to participate in PCG, and that all contributions made to either the General Fund or the Crime Victim Compensation Fund be subject to the sustainability fee, now 7 percent.
2. With respect to the former HB 23, which already allows PFD recipients to contribute to the Peace Officers and Firefighters Survivor Fund through Pick.Click.Give., we ask that it to be subject to the annual fee now paid by nonprofit participants, and that each contribution to the fund be assessed the sustainability fee.
3. With respect to SB 78, although it is connected to Pick.Click.Give., it is significantly different from the two bills/one statute discussed above, in terms of both content and potential negative consequences for the long-term sustainability and viability of Pick.Click.Give. Specifically, we are requesting that SB 78 be subject to much greater scrutiny, including the gathering of data on the potential negative consequence for PCG. Our recommendation is that SB 78 be subject to a much more intense review before being allowed to move forward during this legislative session.

Thank you for your consideration of this request. Respectfully,

Nina Kemppel

President & CEO

The Alaska Community Foundation

Laurie Wolf

President & CEO

The Foraker Group