

Prepared Testimony before the House Finance Committee

Nina Kemppel, CEO/President, The Alaska Community Foundation

Re: SB 78 - *An Act creating the education endowment fund and the dividend raffle fund*

April 28, 2017

Good afternoon, Mr. Chairman and members of House Finance Committee. Thank you for taking testimony today and for allowing me to speak on Senate Bill 78.

For the record, my name is Nina Kemppel. I am the President and CEO of The Alaska Community Foundation, which is a statewide public foundation created by the people of Alaska as a platform for charitable giving across the state. We work with donors, nonprofit organizations, community members, and our nine Affiliate Community Foundations to grow philanthropy across the state. We administer between \$3-4 million in grants and scholarships each year across Alaska and manage important statewide projects in partnership with other nonprofits and the State of Alaska.

One such program is Pick.Click.Give., which is currently managed at The Alaska Community Foundation. While this program is part of a larger partnership of other organizations including the Foraker Group (from whom you just heard), Rasmuson Foundation, United Way, and the State of Alaska, The Alaska Community Foundation is in many ways the public face of Pick.Click.Give. It was a natural fit for us to house the program, as we work closely to connect donors and nonprofits across the state to enhance charitable giving. We manage Pick.Click.Give.'s website, we are the direct interface with the public and Pick.Click.Give. participating organizations, and we manage the outreach campaign to encourage all Alaskans to support the causes they care about.

I would like to be clear here. We are not here in opposition to Senate Bill 78, but rather to encourage this committee to consider the unintended

consequences of the addition of such a program into the PFD application. We ask that further consideration and research be given to this bill before it is passed. We are here because we have an obligation to the 668 nonprofits who are served by Pick.Click.Give. and the donors that serve them to support this program and ensure that it is viable and working in accordance with this legislature's original intent.

I would like to add to the list of questions that we would like answered before this bill is passed. I would remind the committee that the Alaska State Legislature recommended as early as three years ago to the importance that this program be self-sustaining. In 2008, the legislature recognized the value of such a program to Alaska's nonprofits and our communities and asserted the need for the program to support itself.

The Foraker Group will testify about the arduous process the Pick.Click.Give. partners undertook to ensure that this program was viable, sustainable, and worthwhile. Given the rigorous amount of work that had to be undertaken to do this, we find the haste at which this bill is being passed to be presumptive in its nature. We do not yet know to what extent an education lottery like the one proposed will negatively impact the current Pick.Click.Give. donations, and therefore do not know if the program can be sustainable if there are diminishing contributions made to it.

Under the current proposed legislation, both programs technically have the same opportunity for participation, but we do not understand the implications. What we don't know is how this will affect all of the donors that want to take action with charitable giving using their PFD.

This year, more than \$2.7 million dollars were pledged for nonprofits across Alaska through Pick.Click.Give. Many of these organizations are small, with extremely limited staff and resources who nevertheless provide vital services that might otherwise not exist to communities across Alaska. While these increments of funding – some of them \$5,000 or less – may not seem like

much, to small nonprofits who cannot afford their own marketing resources and who sustain themselves on a “bare-bones” budget in order to maximize their services, Pick.Click.Give. donations are absolutely necessary to their ability to support their communities. Their dependence upon the Pick.Click.Give. program is vital and deserved to be studied further. Again, I am not here to ask for funding or oppose Senate Bill 78 or argue against the importance of funding education. Rather, I am here as part of my obligation to the state, to the nonprofit sector, and to the Pick.Click.Give program as I must support the organizations who depend upon it. We want to ensure that this program, if enacted, does not undermine the nonprofit sector in Alaska and a program that is already working very well.

While there are more questions that need to be answered, I bring you some of the concerns that the partners in Pick.Click.Give. have as we endeavor to maintain a strong, charitable giving program in our state.

Thank you for your consideration of my testimony.