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Ohio House of Representatives
Higher Education Committee
HB151

Submitted by Colleen McCarthy, Greater Cincinnati Foundation

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Chair Young, Ranking Member Miller and members of the Higher Education Committee, my name is Colleen McCarthy and I am the Chief Philanthropy Officer at Greater Cincinnati Foundation. Thank you for the opportunity to provide opponent testimony regarding House Bill 151, expressing our organization's deep concern for the harmful impact the endowment provision could have on donors in our state and the undue burden it would place on community foundations.

The Greater Cincinnati Foundation's mission is to connect people with purpose as we seek to create a vibrant and equitable region. We accomplish this work by partnering with generous donors across our region who trust GCF as their philanthropic partner. When we inspire philanthropy in our region, our impact is boundless. In 2022, more than \$100M in donations were received by GCF and we had a total endowment of more than \$450M.

The Greater Cincinnati Foundation is testifying today because we believe the recently added language to House Bill 151 regarding endowments is burdensome to our operations and could undermine the ability of donors to trust that their philanthropic intent will be honored in perpetuity.

We have a special bond with our donors rooted in trust and relationships. As we work with donors to craft their legacy giving through an endowment, it is critical that we are able to honor their intent, especially after their lifetime. This bill would allow individuals who were not involved with the crafting of the endowment agreement language to impose their own views and interpretations of original intent. This would affect the nearly 900 endowed funds that Greater Cincinnati Foundation currently holds.

This language creates a private right of action for both donor and/or a legal representative, referred to as a 'benefactor representative' in this bill. This creates a substantial departure from Ohio law and nearly every jurisdiction across the country. This increased litigation could divert charitable funds away from intended purpose, lead to confusion and inconsistency under the law and create enormous economic burdens on foundations across Ohio. This would impact our ability to inspire and carry out the very philanthropy that benefits the well-being of Ohioans.

Additionally, this language could call into question the viability of a charitable tax deduction in its entirety. IRS charitable deduction rules require donors to release control—if a gift could be changed or revoked, it is not "complete", therefore not eligible for the tax benefit that motivates many large gifts. This could have a detrimental effect on our ability to inspire gifts that support non-profits doing critical work that make our communities better and help people thrive.

We want to work with you to craft language that honors the spirit of your concern without creating undue burden on our state's community foundations. We want to facilitate giving through philanthropy, not hinder it. We want to honor the intent of the philanthropists who so generously contribute to causes they care about, long after their lifetimes.

We urge you to deeply consider the negative unintended consequences to charitable giving that this bill would create.

We look forward to continued conversations about this bill. I appreciate the opportunity to provide testimony on this important issue.