

Judith Meyers April 24, 2017

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Children's Fund of Connecticut*

Michael Johnston
Vice Chair

*Jewish Community Foundation
of Greater Hartford*

Christine Traczyk
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*Farmington Bank
Community Foundation*

Paul Ballasy

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Memorial Fund*

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*Interim President
Connecticut Council
for Philanthropy*

Maryam Elahi

*Community Foundation of
Eastern Connecticut*

Linda Franciscovich

*The Grossman
Family Foundation*

Kelly Giordano

Newman's Own Foundation

Juanita T. James

*Fairfield County's
Community Foundation*

Kathryn Luria

Webster Bank

Frances Padilla

*Universal Health Care
Foundation of Connecticut*

Judy Rozie-Battle

*Hartford Foundation for Public
Giving*

Fahd Vahidy

Graustein Family Office

The Honorable Paul Ryan, Speaker
H-232, The Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
House Democratic Leader
H-204, The Capitol
Washington, D.C. 20515

The Honorable Kevin Brady
Chairman, House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member, House Ways and Means
Committee
1139E Longworth House Office Building
Washington, D.C. 20515

Senate Majority Leader
S-230 The Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Chuck Schumer
Senate Democratic Leader
S-221, The Capitol
Washington, D.C. 20510

The Honorable Orrin Hatch
Chairman, Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member, Senate Committee on
Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Richard Blumenthal
706 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Christopher Murphy
136 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Elizabeth Esty
221 Cannon House Office Building
Washington, D.C. 20515

The Honorable Rosa DeLauro
2413 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Joe Courtney
2348 Rayburn House Office Building
Washington, D.C. 20515

The Honorable John Larson
1501 Longworth House Office Building
Washington, D.C. 20515

The Honorable Jim Himes
1227 Longworth House Office Building
Washington, D.C. 20515

Dear Speaker Ryan, Majority Leader McConnell, Leader Pelosi, Leader Schumer, Chairman Brady, Chairman Hatch, Ranking Member Neal, Ranking Member Wyden, and Members of the Connecticut Delegation, Senator Blumenthal, Senator Murphy, Congressman Larson, Congressman Himes, Congresswoman DeLauro, Congresswoman Esty, Congressman Courtney:

The Connecticut Council for Philanthropy (CCP) is an association of grantmakers committed to promoting and supporting effective philanthropy for the public good. On behalf of the Board of CCP, we are writing to express our strong opposition to legislation that would repeal the Johnson Amendment, thereby politicizing the charitable nonprofit and philanthropic community by repealing or weakening current federal tax law protections that prohibit 501(c)(3) organizations from endorsing, opposing, or contributing to political candidates.

We oppose this legislative initiative for three reasons, elaborated further in this letter:

1. Repeal will erode public trust in charitable organizations to solve community problems.
2. Existing law already provides sufficient opportunity to influence public policy.
3. Repeal will siphon critical contribution dollars away from communities.

Repeal Will Erode Trust in Charitable Organizations to Solve Community Problems

As has been noted by state and national organizations in prior communications to Congressional leaders opposing the proposed repeal, nonpartisanship is a cornerstone principle that has strengthened the public's trust of the charitable community. In exchange for enjoying tax-exempt status and the ability to receive tax-deductible contributions, 501(c)(3) organizations – foundations and other charitable nonprofits, including religious congregations – agree to not engage in “any political campaign on behalf of (or in opposition to) any candidate for public office.”

That provision of law protects the integrity and independence of charitable foundations. It shields the entire 501(c)(3) nonprofit community against partisan politics so the charitable community can be a “public square” where individuals of all beliefs and interests come together to solve community problems free from partisan divisions. It screens out doubts and suspicions regarding ulterior partisan motives of charitable organizations, as undoubtedly would occur if even just a few charitable organizations engaged in partisan politics. Nonpartisan credibility is critical to the ability of 501(c)(3) organizations to work with elected officials of all parties at the local, state, and federal levels to address community needs.

Existing Law Already Provides Sufficient Opportunity to Influence Public Policy

Charitable nonprofits, including religious congregations, are already free to speak on important matters of the day and advocate on public policy issues and legislation. Private foundations, while barred from most lobbying activities, are free to engage in public debates, promote public education efforts, and fund a wide range of issue-focused activities. The relevant language in Section 501(c)(3) merely prohibits partisan campaign intervention, defined to include endorsing or opposing candidates for public office, publishing or distributing statements for or against candidates, or using tax-deductible and other resources to support partisan campaign activities.

The Connecticut Council for Philanthropy strongly opposes any and all efforts to weaken or repeal this longstanding protection in the federal tax code that President Eisenhower signed into law in 1954. Weakening the law by allowing leaders of individual 501(c)(3) entities to endorse candidates for public office and engage in some partisan electioneering activities would damage the integrity and effectiveness of all charitable organizations and spawn litigation as innovative partisans seek to expand gray areas in the proposed legislation. For example, would a potential donor give to a community foundation or other nonprofit knowing that those funds may get re-routed to a political candidate the donor opposes?

Repeal Will Siphon Charitable Contributions Away From Communities

Repealing the Johnson Amendment, an approach promoted by President Donald Trump and some in Congress, would damage the federal Treasury by allowing, for the first time, tax deductions for contributions ultimately used to support candidates. When people take tax deductions for political contributions funneled through charitable nonprofits, these gifts undercut fair elections by providing a loophole to avoid campaign contribution disclosure laws, and empower politicians to exert pressure for access to foundation assets and charitable funds for their own partisan campaigns rather than for the public good.

What's At Stake for Connecticut

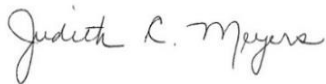
Here are a few facts about the breadth and scope of philanthropy in Connecticut and what is at stake if such legislation were to pass. There are 1,583 foundations in our state, including 1,425 private, independent and family foundations, 79 operating, 59 corporate, and 20 community foundations. Connecticut is home to two of the top 20 community foundations in the country. In 2014, individuals, foundations and corporate giving programs contributed \$4.51 billion; \$3.39 billion of that came from individual donors.

These facts alone don't fully show why philanthropy is so important to the fabric of our communities. People of all backgrounds and means can be very generous, and often have unique insights and a deep awareness of community needs. People don't have to be wealthy, or be an institution to be philanthropic, and to give strategically. Individual donors, as well as foundations and companies give to a wide variety of purposes, including through public-private partnerships that can advance a shared agenda. These partnerships often include clergy leaders as good-faith brokers for improving the quality of life in communities.

According to the Washington Post of April 14, the repeal of the Johnson Amendment is reportedly being written into tax reform legislation developed in the House of Representatives, to bolster its chances of passing. It is extremely alarming that the integrity of the charitable "third sector" is being used as a pawn in a game of political chess.

For the reasons cited above, we urge you to oppose efforts to weaken and/or repeal the current law that for over 60 years has successfully protected the integrity and effectiveness of charitable nonprofits and foundations by keeping them apart from partisan politics.

Respectfully,



Judith Meyers, Chair, Board of Directors, Connecticut Council for Philanthropy

CC:

The Honorable Martin Looney, Connecticut Senate Democratic President Pro Tempore

The Honorable Leonard Fasano, Connecticut Senate Republican President Pro Tempore

The Honorable Joseph Aresimowicz, Speaker, Connecticut House of Representatives

The Honorable Matthew Ritter, Majority Leader, Connecticut House of Representatives

The Honorable Themis Klarides, Minority Leader, Connecticut House of Representatives

The Honorable Daniel P. Malloy, Governor