

501(c)(3) Committee Report - SUPPLEMENT

WHY IS IT IMPORTANT TO MAKE THIS CHANGE TO 501(C)(3)?

Becoming a single organization **will create increased capacity** for our LWVPDX work **without an increase in costs and no change in LWVPDX capacity to lobby or advocate.**

This change would **not** impact the functioning of the League of Women Voters of Portland and would not impact the general membership or the public in any substantive way. The primary impact of this change would be to simplify board and office operations and provide opportunities for cost savings and development activities that are not available under the current structure.

Consolidation into a single 501(c)(3) nonprofit will provide the following benefits, which are explained in detail in the 501c Committee Report (<https://tinyurl.com/zmmx3vwk>):

- **Simplify Development and Donation Process and increase opportunities for grants, donations, and business services discounts not available to a 501(c)(4)**
- **Simplify Administration, Bookkeeping, and Taxes**
- **Reduce Costs**

The points made by the group opposing this change ignore the copious research detailed in the 501c Committee Report and the opinions of the experts we consulted, including the experts recommended by these opponents.

The tracking and paperwork required by the change to a 501(c)(3) is not onerous, and has been successfully managed by numerous Leagues, including LWVOR. Importantly, the paperwork and other administrative tasks will be **greatly reduced** by not maintaining two separate and active organizations.

As a 501(c)(3), the League can do **unlimited** advocacy. The only reporting requirements are for "lobbying" to influence legislation.

Tracking lobbying can be managed simply, since only actual expenses need to be tracked. Volunteer time spent lobbying does **not** need to be tracked (except as required now by the City of Portland), so the effect on League Action volunteers is minimal. The committee report addressed this issue. With regard to overhead expenses, Tim Mooney, senior legal counsel with Bolder Advocacy, said we need to "make a good faith determination of what percentage of the entire organization's overhead supports your (very small amount) of lobbying. Considering all of the other work the organization does,

compare that to the amount of lobbying and apply this percentage. The less arbitrary, the better... and write a memo for internal purposes explaining the thought process.”

Explaining our impartiality with regard to Voter Service and Community Education is not difficult. Over two hundred Leagues across the country have made this transition and have not found this to be an issue. The League’s reputation for impartial, non-partisan analysis is well-known and well-respected. Our advocacy and lobbying are well-grounded in our studies and policy positions. Speakers have no problem explaining how these activities are managed independently within the League.

The example of the Illinois State League is not comparable to our situation for a number of reasons including the political climate in Illinois, past hiring of large paid staff (including a lobbyist), and the possibility of involvement in litigation as a key reason for retaining their (c)(4)s. Paulina Leperi did the interviews with the Illinois League and does not view their activities as comparable to LWVPDX. Many other Leagues we interviewed did consolidate without issue and we note that the Seattle League voted just this year to consolidate.

The idea that a non-member 501(c)(4), does not align with LWVUS bylaws is irrelevant. The recommended non-member 501(c)(4) is not intended to qualify as a “League” with the national League of Women Voters organization, and so does not have to conform to LWVUS rules. This would be similar to the situation of the existing League of Women Voters of Portland Education Fund, which also does not have to qualify as a “League” within the national organization.

Consolidation to a 501(c)(3) does not change the flexibility of using or managing the Endowment Fund. The recommendation is to retain the 501(c)(4) as an affiliated, non-member organization. Nothing in the recommendation precludes the Endowment Fund from being managed exactly as it is currently.

Developing the new bylaws would not be time-consuming because we have sample bylaws and templates used by other leagues provided to us by the LWVUS-recommended tax expert who has assisted over one hundred Leagues with consolidation or conversion to 501(c)(3)s.

Change supported by: 100% of the 501c Committee - Shelly Rosenberg (incoming Development Chair), Melanie Billings-Yun, Pamela Clark (Membership Chair), Chris Cobey (Voter Service Chair), and Paulina Leperi (Newsletter Editor); over 70% of the League Board, and the following: Debbie Kaye (past president), Mary Hepokoski (past treasurer and long-time volunteer bookkeeper), Margaret Noel (past president, Communications Coordinator), Linda Mantel (outgoing Development Chair), Judy Froemke (outgoing Member Education).