



CCEF MEMBERSHIP ADVISORY

Foundation Involvement in Political Activities Relating to School Finance and the State Budget

March, 2011

California government is facing severe budget cuts in 2011-12 as state decision-makers work to fill a \$26 billion budget gap. As education foundations wrestle with the implications of these budget cuts and the looming decision on whether to place a tax extension measure on the June ballot they may be considering launching grassroots advocacy and awareness efforts.

Many statewide advocacy groups have been formed recently that are urging foundations to become involved in letter writing campaigns (www.educateourstate.org) and local awareness activities. This link to an article in *California Watch* provides background on some of these groups and their role in debate.

(<http://californiawatch.org/dailyreport/new-groups-poised-change-state-education-landscape-7351>)

This CCEF Advisory offers some suggestions on how to approach a decision to become politically active without jeopardizing your tax-exempt status as a non-profit organization. Please be advised that CCEF is not offering legal advice and we encourage local education foundation leaders to consult with their own attorneys for specific legal interpretations, restrictions and counsel.

Here are some things to consider:

- Determine whether advocacy advances the stated mission and purpose of your foundation as stated in the articles of incorporation and bylaws
- Engage all of your board members in making any decision to take a position on a political measure or to encourage parent/community involvement so that all perspectives are heard
- Be careful to document whether the foundation is using any of its financial resources for political purposes to support or oppose a ballot measure or piece of legislation because this may trigger a reportable campaign donation or lobbying expenditure (IRS Form 5768, see IRS Publication 557)
- Similar to elected school boards, foundation boards may take a public policy position or encourage "good government" involvement by citizens, but must carefully craft the language of any resolution that may contain suggestions on how to vote or actively support a measure or campaign

CCEF Board member Ron Vera authored a White Paper on Foundations & Lobbying that was sent to all California foundations in 2009-10 as part of a grant from California Casualty Insurance. CCEF member foundations can contact CCEF Executive Director Susan Sweeney by calling (650) 324-1653 to obtain a new copy.

Foundations play an important role in financing educational programs and services vital for student success. In recent years as budget pressures mount, many LEFs have become increasingly visible and active in advocating for public policy initiatives that support the public schools of California. Foundations can be an essential "voice of the community" in the debate over education funding in the months ahead. CCEF will continue to offer updates and information to its members as these political decisions move forward.